



HEALTH ANNUAL STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2015  
OF THE CONDITION AND AFFAIRS OF  
Aetna Health Inc. (a Maine corporation)

NAIC Group Code ..... 0001 0001 NAIC Company Code ..... 95517 Employer's ID Number ..... 01-0504252  
(Current Period) (Prior Period)  
Organized under the Laws of Maine State of Domicile or Port of Entry ..... Maine Country of Domicile ..... United States  
Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [X]  
Other [ ] Is HMO Federally Qualified? Yes [ ] No [X]  
Incorporated/Organized ..... October 3, 1995 Commenced Business ..... April 10, 1996  
Statutory Home Office ..... 175 Running Hill Road, Suite 301 ..... South Portland ..... ME ... US ... 04106-3220  
(Street and Number) (City, State, Country, and Zip Code)  
Main Administrative Office ..... 980 Jolly Road  
(Street and Number)  
..... Blue Bell ..... PA .. US ... 19422-1904 ..... 800-872-3862  
(City, State, Country, and Zip Code) (Area Code) (Telephone Number)  
Mail Address ..... 980 Jolly Road, U11S ..... Blue Bell ..... PA ... US ... 19422-1904  
(Street and Number or P. O. Box) (City, State, Country, and Zip Code)  
Primary Location of Books and Records ..... 980 Jolly Road  
(Street and Number)  
..... Blue Bell ..... PA ... US ... 19422-1904 ..... 800-872-3862  
(City, State, Country, and Zip Code) (Area Code) (Telephone Number)  
Internet Website Address ..... www.aetna.com  
Statutory Statement Contact ..... Dawn Marie Schoen ..... 215-775-6508  
(Name) (Area Code) (Telephone Number) (Extension)  
..... Aetna.HMOReporting@aetna.com ..... 860-262-7767  
(E-mail Address) (Fax Number)

OFFICERS

Mark Costa Santos, President #	OTHER	Elaine Rose Cofrancesco, Treasurer
Edward Chung-I Lee, Vice President and Secretary		Gregory Stephen Martino, Vice President
Dawn Marie Schoen, Principal Financial Officer and Controller		Kevin James Casey, Senior Investment Officer
		Steven Matthew Conte, Assistant Controller #

DIRECTORS OR TRUSTEES

Robert Kenneth Downs	Gilbert Edward Keegan #	Mark Costa Santos #
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The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)  
Mark Costa Santos  
President

State of..... Connecticut  
County of..... Hartford  
Subscribed and sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_ 2016

NOTARY PUBLIC (Seal)

(Signature)  
Edward Chung-I Lee  
Vice President and Secretary@

State of..... Connecticut  
County of..... Hartford  
@Subscribed and sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_ 2016

NOTARY PUBLIC (Seal)

(Signature)  
Dawn Marie Schoen  
Principal Financial Officer and Controller@@

State of..... Pennsylvania  
County of..... Montgomery  
@@Subscribed and sworn to before me this  
\_\_\_\_ day of February 2016

NOTARY PUBLIC (Seal)

- a. Is this an original filing? Yes [X] No [ ]  
b. If no: 1. State the amendment number...  
2. Date filed .....  
3. Number of pages attached .....

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	18,771,259	0	18,771,259	18,966,006
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....0, Schedule E-Part 1), cash equivalents (\$....2,377,716, Schedule E-Part 2) and short-term investments (\$....20,901, Schedule DA).....	2,398,617	0	2,398,617	3,803,226
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0	0
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	21,169,876	0	21,169,876	22,769,232
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	115,400	0	115,400	124,408
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	2,254,835	13,506	2,241,329	3,209,084
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	0	0	0	0
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	9,298	0	9,298	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	372,194	0	372,194	1,052,494
18.1 Current federal and foreign income tax recoverable and interest thereon.....	1,058,602	0	1,058,602	0
18.2 Net deferred tax asset.....	601,848	0	601,848	101,803
19. Guaranty funds receivable or on deposit.....	0	0	0	0
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0	0
24. Health care (\$....261,914) and other amounts receivable.....	261,914	0	261,914	221,447
25. Aggregate write-ins for other than invested assets.....	389,172	0	389,172	429,694
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	26,233,139	13,506	26,219,633	27,908,162
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	26,233,139	13,506	26,219,633	27,908,162
DETAILS OF WRITE-INS				
1101. ....	0	0	0	0
1102. ....	0	0	0	0
1103. ....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Current State Income Tax Receivable.....	376,209	0	376,209	146,417
2502. Other Receivable.....	12,963	0	12,963	202,859
2503. Pharmacy Manufacturer's Discount Receivable.....	0	0	0	80,418
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	389,172	0	389,172	429,694

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....46,623 reinsurance ceded).....	7,170,394	238,263	7,408,657	7,116,430
2. Accrued medical incentive pool and bonus amounts.....	977,092	0	977,092	464,125
3. Unpaid claims adjustment expenses.....	107,193	0	107,193	146,908
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	1,414,657	0	1,414,657	27,083
5. Aggregate life policy reserves.....	0	0	0	0
6. Property/casualty unearned premium reserve.....	0	0	0	0
7. Aggregate health claim reserves.....	23,080	0	23,080	26,940
8. Premiums received in advance.....	11,618	0	11,618	27,357
9. General expenses due or accrued.....	83,436	0	83,436	364,405
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	0	0	0	36,662
10.2 Net deferred tax liability.....	0	0	0	0
11. Ceded reinsurance premiums payable.....	0	0	0	0
12. Amounts withheld or retained for the account of others.....	0	0	0	0
13. Remittances and items not allocated.....	0	0	0	0
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates.....	2,483,188	0	2,483,188	3,716,535
16. Derivatives.....	0	0	0	0
17. Payable for securities.....	0	0	0	0
18. Payable for securities lending.....	0	0	0	0
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....52,130 unauthorized and \$.....0 certified reinsurers).....	52,130	0	52,130	43,191
20. Reinsurance in unauthorized and certified (\$.....0) companies.....	573	0	573	0
21. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0	0	0
22. Liability for amounts held under uninsured plans.....	998,229	0	998,229	0
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	8,290	0	8,290	268,678
24. Total liabilities (Lines 1 to 23).....	13,329,880	238,263	13,568,143	12,238,314
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	1,470,000	2,000,000
26. Common capital stock.....	XXX	XXX	1,000,000	1,000,000
27. Preferred capital stock.....	XXX	XXX	0	0
28. Gross paid in and contributed surplus.....	XXX	XXX	8,700,000	8,700,000
29. Surplus notes.....	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	1,481,490	3,969,848
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX	0	0
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	12,651,490	15,669,848
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	26,219,633	27,908,162

DETAILS OF WRITE-INS

2301. CMS Payable.....	8,290	0	8,290	8,290
2302. CMS Coverage Gap Discount.....	0	0	0	260,388
2303. ....	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	8,290	0	8,290	268,678
2501. Estimated Health Insurer Fee Accrual.....	XXX	XXX	1,470,000	2,000,000
2502. ....	XXX	XXX	0	0
2503. ....	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	1,470,000	2,000,000
3001. ....	XXX	XXX	0	0
3002. ....	XXX	XXX	0	0
3003. ....	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	137,371.....	205,808.....
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	80,086,275.....	104,695,049.....
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	(2,631).....	22,018.....
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....	0.....	0.....
5. Risk revenue.....	XXX.....	0.....	0.....
6. Aggregate write-ins for other health care related revenues.....	XXX.....	0.....	0.....
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0.....	0.....
8. Total revenues (Lines 2 to 7).....	XXX.....	80,083,644.....	104,717,067.....
Hospital and Medical:			
9. Hospital/medical benefits.....	1,156,516.....	53,562,285.....	71,438,197.....
10. Other professional services.....	0.....	0.....	0.....
11. Outside referrals.....	1,022,816.....	1,022,816.....	1,208,173.....
12. Emergency room and out-of-area.....	129,673.....	3,241,836.....	3,749,835.....
13. Prescription drugs.....	180,259.....	10,502,661.....	14,255,448.....
14. Aggregate write-ins for other hospital and medical.....	0.....	0.....	0.....
15. Incentive pool, withhold adjustments and bonus amounts.....	0.....	1,266,996.....	884,441.....
16. Subtotal (Lines 9 to 15).....	2,489,264.....	69,596,594.....	91,536,094.....
Less:			
17. Net reinsurance recoveries.....	0.....	476,837.....	473,144.....
18. Total hospital and medical (Lines 16 minus 17).....	2,489,264.....	69,119,757.....	91,062,950.....
19. Non-health claims (net).....	0.....	0.....	0.....
20. Claims adjustment expenses, including \$....920,982 cost containment expenses.....	0.....	1,267,211.....	1,591,423.....
21. General administrative expenses.....	0.....	10,211,496.....	12,084,100.....
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....	0.....	660,961.....	(2,119,593).....
23. Total underwriting deductions (Lines 18 through 22).....	2,489,264.....	81,259,425.....	102,618,880.....
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	(1,175,781).....	2,098,187.....
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	0.....	550,092.....	635,581.....
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....	0.....	0.....	82,452.....
27. Net investment gains or (losses) (Lines 25 plus 26).....	0.....	550,092.....	718,033.....
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....	0.....	0.....	0.....
29. Aggregate write-ins for other income or expenses.....	0.....	0.....	0.....
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	(625,689).....	2,816,220.....
31. Federal and foreign income taxes incurred.....	XXX.....	562,363.....	256,566.....
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	(1,188,052).....	2,559,654.....
DETAILS OF WRITE-INS			
0601. ....	XXX.....	0.....	0.....
0602. ....	XXX.....	0.....	0.....
0603. ....	XXX.....	0.....	0.....
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0.....	0.....
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	0.....	0.....
0701. ....	XXX.....	0.....	0.....
0702. ....	XXX.....	0.....	0.....
0703. ....	XXX.....	0.....	0.....
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0.....	0.....
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	0.....	0.....
1401. ....	0.....	0.....	0.....
1402. ....	0.....	0.....	0.....
1403. ....	0.....	0.....	0.....
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0.....	0.....	0.....
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0.....	0.....	0.....
2901. ....	0.....	0.....	0.....
2902. ....	0.....	0.....	0.....
2903. ....	0.....	0.....	0.....
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0.....	0.....	0.....
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0.....	0.....	0.....

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	15,669,848	13,908,387
34. Net income or (loss) from Line 32.....	(1,188,052)	2,559,654
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$ .....0.....	0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0
38. Change in net deferred income tax.....	447,061	(936,390)
39. Change in nonadmitted assets.....	123,206	105,676
40. Change in unauthorized and certified reinsurance.....	(573)	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....	0	0
44. Capital changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in.....	0	0
45.2 Transferred to capital (Stock Dividend).....	0	0
45.3 Transferred from capital.....	0	0
46. Dividends to stockholders.....	(2,400,000)	0
47. Aggregate write-ins for gains or (losses) in surplus.....	0	32,521
48. Net change in capital and surplus (Lines 34 to 47).....	(3,018,358)	1,761,461
49. Capital and surplus end of reporting period (Line 33 plus 48).....	12,651,490	15,669,848

DETAILS OF WRITE-INS		
4701. Correction of Prior Period Prescription Drugs.....	0	50,033
4702. Correction of Prior Period Federal Income Taxes Incurred.....	0	(17,512)
4703. ....	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	32,521

Statement as of December 31, 2015 of the **Aetna Health Inc. (a Maine corporation)**

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	81,832,495	104,333,068
2. Net investment income.....	493,986	619,325
3. Miscellaneous income.....	0	178,460
4. Total (Lines 1 through 3).....	82,326,481	105,130,853
5. Benefit and loss related payments.....	68,368,188	92,970,601
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	10,611,042	14,313,867
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	1,657,627	497,154
10. Total (Lines 5 through 9).....	80,636,857	107,781,622
11. Net cash from operations (Line 4 minus Line 10).....	1,689,624	(2,650,769)
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	2,254,371	6,144,174
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	63
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,254,371	6,144,237
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	1,994,510	0
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	3,935,836
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,994,510	3,935,836
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	259,861	2,208,401
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	2,400,000	0
16.6 Other cash provided (applied).....	(954,094)	(328,009)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(3,354,094)	(328,009)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(1,404,609)	(770,377)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	3,803,226	4,573,603
19.2 End of year (Line 18 plus Line 19.1).....	2,398,617	3,803,226
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 .....	0	0

**Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)**

## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plans	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income.....	80,086,275	22,279,943	0	0	0	0	57,806,332	0	0	0
2. Change in unearned premium reserves and reserve for rate credit.....	(2,631)	(2,631)	0	0	0	0	0	0	0	0
3. Fee-for-service (net of \$.....0 medical expenses).....	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue.....	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues.....	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6).....	80,083,644	22,277,312	0	0	0	0	57,806,332	0	0	0
8. Hospital/medical benefits.....	53,562,285	13,386,297	0	0	0	0	40,175,988	0	0	XXX
9. Other professional services.....	0	-	0	0	0	0	0	0	0	XXX
10. Outside referrals.....	1,022,816	221,064	0	0	0	0	801,752	0	0	XXX
11. Emergency room and out-of-area.....	3,241,836	1,573,184	0	0	0	0	1,668,652	0	0	XXX
12. Prescription drugs.....	10,502,661	4,285,370	0	0	0	0	6,217,291	0	0	XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	1,266,996	89,732	0	0	0	0	1,177,264	0	0	XXX
15. Subtotal (Lines 8 to 14).....	69,596,594	19,555,647	0	0	0	0	50,040,947	0	0	XXX
16. Net reinsurance recoveries.....	476,837	10,966	0	0	0	0	465,871	0	0	XXX
17. Total hospital and medical (Lines 15 minus 16).....	69,119,757	19,544,681	0	0	0	0	49,575,076	0	0	XXX
18. Non-health claims (net).....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$.....920,982 cost containment expenses.....	1,267,211	360,904	0	0	0	0	906,307	0	0	0
20. General administrative expenses.....	10,211,496	4,369,802	0	0	0	0	5,841,694	0	0	0
21. Increase in reserves for accident and health contracts.....	660,961	660,961	0	0	0	0	0	0	0	XXX
22. Increase in reserve for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22).....	81,259,425	24,936,348	0	0	0	0	56,323,077	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	(1,175,781)	(2,659,036)	0	0	0	0	1,483,255	0	0	0

### DETAILS OF WRITE-INS

[illegible]

Statement as of December 31, 2015 of the   Aetna Health Inc. (a Maine corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical).....	22,286,545	0	6,602	22,279,943
2.	Medicare supplement.....	0	0	0	0
3.	Dental only.....	0	0	0	0
4.	Vision only.....	0	0	0	0
5.	Federal employees health benefits plan.....	0	0	0	0
6.	Title XVIII - Medicare.....	58,291,403	0	485,071	57,806,332
7.	Title XIX - Medicaid.....	0	0	0	0
8.	Other health.....	0	0	0	0
9.	Health subtotal (Lines 1 through 8).....	80,577,948	0	491,673	80,086,275
10.	Life.....	0	0	0	0
11.	Property/casualty.....	0	0	0	0
12.	Totals (Lines 9 to 11).....	80,577,948	0	491,673	80,086,275



Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	68,078,266	19,846,816	0	0	0	0	48,231,450	0	0	0
1.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded.....	464,107	0	0	0	0	0	464,107	0	0	0
1.4 Net.....	67,614,159	19,846,816	0	0	0	0	47,767,343	0	0	0
2. Paid medical incentive pools and bonuses.....	754,029	91,814	0	0	0	0	662,215	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	7,455,280	2,167,903	0	0	0	0	5,287,377	0	0	0
3.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded.....	46,623	1,667	0	0	0	0	44,956	0	0	0
3.4 Net.....	7,408,657	2,166,236	0	0	0	0	5,242,421	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	23,080	23,080	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	23,080	23,080	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	977,092	109,332	0	0	0	0	867,760	0	0	0
6. Net healthcare receivables (a).....	40,467	(4,067)	0	0	0	0	44,534	0	0	0
7. Amounts recoverable from reinsurers December 31, current year.....	9,298	9,298	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	7,159,621	2,549,012	0	0	0	0	4,610,609	0	0	0
8.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded.....	43,191	0	0	0	0	0	43,191	0	0	0
8.4 Net.....	7,116,430	2,549,012	0	0	0	0	4,567,418	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	26,940	26,940	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
9.4 Net.....	26,940	26,940	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	464,125	111,414	0	0	0	0	352,711	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year.....	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct.....	68,329,598	19,465,914	0	0	0	0	48,863,684	0	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	476,837	10,965	0	0	0	0	465,872	0	0	0
12.4 Net.....	67,852,761	19,454,949	0	0	0	0	48,397,812	0	0	0
13. Incurred medical incentive pools and bonuses.....	1,266,996	89,732	0	0	0	0	1,177,264	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	1,047,001	505,831	.....0	.....0	.....0	.....0	541,170	.....0	.....0	.....0
1.2 Reinsurance assumed.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1.3 Reinsurance ceded.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1.4 Net.....	1,047,001	505,831	.....0	.....0	.....0	.....0	541,170	.....0	.....0	.....0
2. Incurred but unreported:										
2.1 Direct.....	6,408,279	1,662,072	.....0	.....0	.....0	.....0	4,746,207	.....0	.....0	.....0
2.2 Reinsurance assumed.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
2.3 Reinsurance ceded.....	46,623	1,667	.....0	.....0	.....0	.....0	44,956	.....0	.....0	.....0
2.4 Net.....	6,361,656	1,660,405	.....0	.....0	.....0	.....0	4,701,251	.....0	.....0	.....0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
3.2 Reinsurance assumed.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
3.3 Reinsurance ceded.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
3.4 Net.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4. Totals:										
4.1 Direct.....	7,455,280	2,167,903	.....0	.....0	.....0	.....0	5,287,377	.....0	.....0	.....0
4.2 Reinsurance assumed.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.3 Reinsurance ceded.....	46,623	1,667	.....0	.....0	.....0	.....0	44,956	.....0	.....0	.....0
4.4 Net.....	7,408,657	2,166,236	.....0	.....0	.....0	.....0	5,242,421	.....0	.....0	.....0

Statement as of December 31, 2015 of the   Aetna Health Inc. (a Maine corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid December 31 of Prior Year	4  On Claims Incurred During the Year		
1.   Comprehensive (hospital and medical).....	.....3,152,668	.....16,684,850	.....72,274	.....2,117,042	.....3,224,942	.....2,575,952
2.   Medicare supplement.....	.....0	.....0	.....0	.....0	.....0	.....0
3.   Dental only.....	.....0	.....0	.....0	.....0	.....0	.....0
4.   Vision only.....	.....0	.....0	.....0	.....0	.....0	.....0
5.   Federal employees health benefits plan.....	.....0	.....0	.....0	.....0	.....0	.....0
6.   Title XVIII - Medicare.....	.....3,548,821	.....44,218,522	.....156,839	.....5,085,582	.....3,705,660	.....4,567,418
7.   Title XIX - Medicaid.....	.....0	.....0	.....0	.....0	.....0	.....0
8.   Other health.....	.....0	.....0	.....0	.....0	.....0	.....0
9.   Health subtotal (Lines 1 to 8).....	.....6,701,489	.....60,903,372	.....229,113	.....7,202,624	.....6,930,602	.....7,143,370
10.   Healthcare receivables (a).....	.....0	.....261,914	.....0	.....0	.....0	.....221,447
11.   Other non-health.....	.....0	.....0	.....0	.....0	.....0	.....0
12.   Medical incentive pools and bonus amounts.....	.....450,734	.....303,295	.....118,597	.....858,495	.....569,331	.....464,125
13.   Totals (Lines 9 - 10 + 11 + 12).....	.....7,152,223	.....60,944,753	.....347,710	.....8,061,119	.....7,499,933	.....7,386,048

(a)   Excludes \$......0 loans or advances to providers not yet expensed.

Statement as of December 31, 2015 of the   **Aetna Health Inc. (a Maine corporation)**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior.....	.....5,204	.....5,205	.....5,242	.....5,272	.....5,272
2. 2011.....	.....52,949	.....58,306	.....58,370	.....58,627	.....58,614
3. 2012.....	.....XXX	.....66,391	.....73,836	.....73,966	.....73,951
4. 2013.....	.....XXX	.....XXX	.....75,096	.....82,482	.....82,588
5. 2014.....	.....XXX	.....XXX	.....XXX	.....84,946	.....92,020
6. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....60,945

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior.....	.....5,770	.....5,307	.....5,274	.....5,272	.....5,272
2. 2011.....	.....59,021	.....58,372	.....58,428	.....58,649	.....58,614
3. 2012.....	.....XXX	.....73,951	.....74,195	.....74,008	.....73,980
4. 2013.....	.....XXX	.....XXX	.....84,044	.....82,593	.....82,646
5. 2014.....	.....XXX	.....XXX	.....XXX	.....92,378	.....92,281
6. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....69,006

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claim Payments	3  Claim Adjustment Expense Payments	4  Percent (Col. 3/2)	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  Percent (Col. 5/1)	7  Claims Unpaid	8  Unpaid Claim Adjustment Expense	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  Percent (Col. 9/1)
1. 2011.....	.....72,746	.....58,614	.....1,585	.....2.7	.....60,199	.....82.8	.....0	.....0	.....60,199	.....82.8
2. 2012.....	.....93,219	.....73,951	.....1,975	.....2.7	.....75,926	.....81.4	.....29	.....0	.....75,955	.....81.5
3. 2013.....	.....98,279	.....82,588	.....2,306	.....2.8	.....84,894	.....86.4	.....58	.....1	.....84,953	.....86.4
4. 2014.....	.....104,717	.....92,020	.....1,597	.....1.7	.....93,617	.....89.4	.....261	.....3	.....93,881	.....89.7
5. 2015.....	.....80,084	.....60,945	.....1,182	.....1.9	.....62,127	.....77.6	.....8,061	.....104	.....70,292	.....87.8

Statement as of December 31, 2015 of the   **Aetna Health Inc. (a Maine corporation)**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior.....	3,721	3,715	3,749	3,780	3,780
2. 2011.....	37,659	41,574	41,630	41,889	41,879
3. 2012.....	XXX	43,426	48,807	48,954	48,949
4. 2013.....	XXX	XXX	40,699	45,340	45,486
5. 2014.....	XXX	XXX	XXX	32,548	35,606
6. 2015.....	XXX	XXX	XXX	XXX	16,695

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior.....	4,164	3,801	3,773	3,780	3,780
2. 2011.....	41,633	41,627	41,677	41,903	41,879
3. 2012.....	XXX	48,765	49,053	48,980	48,966
4. 2013.....	XXX	XXX	45,931	45,382	45,511
5. 2014.....	XXX	XXX	XXX	35,153	35,637
6. 2015.....	XXX	XXX	XXX	XXX	18,921

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claim Payments	3  Claim Adjustment Expense Payments	4  Percent (Col. 3/2)	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  Percent (Col. 5/1)	7  Claims Unpaid	8  Unpaid Claim Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  Percent (Col. 9/1)
1. 2011.....	52,114	41,879	1,255	3.0	43,134	82.8	0	0	43,134	82.8
2. 2012.....	61,950	48,949	1,471	3.0	50,420	81.4	17	0	50,437	81.4
3. 2013.....	56,936	45,486	1,555	3.4	47,041	82.6	25	0	47,066	82.7
4. 2014.....	42,959	35,606	730	2.1	36,336	84.6	31	1	36,368	84.7
5. 2015.....	22,277	16,695	333	2.0	17,028	76.4	2,226	30	19,284	86.6

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior.....	1,483	1,490	1,493	1,492	1,492
2. 2011.....	15,290	16,732	16,740	16,738	16,735
3. 2012.....	XXX	22,965	25,029	25,012	25,002
4. 2013.....	XXX	XXX	34,397	37,142	37,102
5. 2014.....	XXX	XXX	XXX	52,398	56,414
6. 2015.....	XXX	XXX	XXX	XXX	44,250

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior.....	1,606	1,506	1,501	1,492	1,492
2. 2011.....	17,388	16,745	16,751	16,746	16,735
3. 2012.....	XXX	25,186	25,142	25,028	25,014
4. 2013.....	XXX	XXX	38,113	37,211	37,135
5. 2014.....	XXX	XXX	XXX	57,225	56,644
6. 2015.....	XXX	XXX	XXX	XXX	50,085

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claim Payments	3  Claim Adjustment Expense Payments	4  Percent (Col. 3/2)	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  Percent (Col. 5/1)	7  Claims Unpaid	8  Unpaid Claim Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  Percent (Col. 9/1)
1. 2011.....	20,632	16,735	330	2.0	17,065	82.7	0	0	17,065	82.7
2. 2012.....	31,269	25,002	504	2.0	25,506	81.6	12	0	25,518	81.6
3. 2013.....	41,343	37,102	751	2.0	37,853	91.6	33	1	37,887	91.6
4. 2014.....	61,758	56,414	867	1.5	57,281	92.8	230	2	57,513	93.1
5. 2015.....	57,807	44,250	849	1.9	45,099	78.0	5,835	74	51,008	88.2

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE



Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	11,962	11,962	.0	.0	.0	.0	.0	.0	.0
2. Additional policy reserves (a).....	660,961	660,961	.0	.0	.0	.0	.0	.0	.0
3. Reserve for future contingent benefits.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income.....	741,734	738,429	.0	.0	.0	.0	3,305	.0	.0
5. Aggregate write-ins for other policy reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross).....	1,414,657	1,411,352	.0	.0	.0	.0	3,305	.0	.0
7. Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Totals (net) (Page 3, Line 4).....	1,414,657	1,411,352	.0	.0	.0	.0	3,305	.0	.0
9. Present value of amounts not yet due on claims.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Reserve for future contingent benefits.....	23,080	23,080	.0	.0	.0	.0	.0	.0	.0
11. Aggregate write-ins for other claim reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross).....	23,080	23,080	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Totals (net) (Page 3, Line 7).....	23,080	23,080	.0	.0	.0	.0	.0	.0	.0

DETAILS OF WRITE-INS

0501. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0502. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0503. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1101. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1102. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1103. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Includes \$....660,961 premium deficiency reserve.

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$.....0 for occupancy of own building).....	0	5,069	24,942	108	30,119
2. Salaries, wages and other benefits.....	700,867	0	2,713,113	11,104	3,425,084
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....	0	0	1,980,576	0	1,980,576
4. Legal fees and expenses.....	7,368	0	30,553	126	38,047
5. Certifications and accreditation fees.....	0	0	0	0	0
6. Auditing, actuarial and other consulting services.....	0	78,848	741,064	0	819,912
7. Traveling expenses.....	0	19,008	81,979	341	101,328
8. Marketing and advertising.....	0	0	139,269	0	139,269
9. Postage, express and telephone.....	0	40,551	174,870	719	216,140
10. Printing and office supplies.....	0	26,611	118,815	485	145,911
11. Occupancy, depreciation and amortization.....	0	0	0	0	0
12. Equipment.....	0	34,215	144,807	593	179,615
13. Cost or depreciation of EDP equipment and software.....	0	41,818	179,146	0	220,964
14. Outsourced services including EDP, claims, and other services.....	196,169	0	762,102	3,126	961,397
15. Boards, bureaus and association fees.....	921	0	3,188	18	4,127
16. Insurance, except on real estate.....	15,657	0	59,870	0	75,527
17. Collection and bank service charges.....	0	3,802	19,542	72	23,416
18. Group service and administration fees.....	0	0	1,616	0	1,616
19. Reimbursements by uninsured plans.....	0	0	0	0	0
20. Reimbursements from fiscal intermediaries.....	0	0	0	0	0
21. Real estate expenses.....	0	17,741	80,022	323	98,086
22. Real estate taxes.....	0	2,534	10,540	0	13,074
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....	0	0	149,129	0	149,129
23.2 State premium taxes.....	0	0	0	0	0
23.3 Regulatory authority licenses and fees.....	0	0	16,035	0	16,035
23.4 Payroll taxes.....	0	53,223	231,587	952	285,762
23.5 Other (excluding federal income and real estate taxes).....	0	2,534	2,230,642	0	2,233,176
24. Investment expenses not included elsewhere.....	0	0	0	0	0
25. Aggregate write-ins for expenses.....	0	20,275	318,089	0	338,364
26. Total expenses incurred (Lines 1 to 25).....	920,982	346,229	10,211,496	17,967	(a)....11,496,674
27. Less expenses unpaid December 31, current year.....	77,906	29,287	83,436	0	190,629
28. Add expenses unpaid December 31, prior year.....	105,951	40,957	364,405	0	511,313
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	1,052,494	0	1,052,494
30. Amounts receivable relating to uninsured plans, current year.....	0	0	372,194	0	372,194
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	949,027	357,899	9,812,165	17,967	11,137,058

DETAILS OF WRITE-INS

2501. Pharmacy Rebates Exp.....	0	0	275,073	0	275,073
2502. Miscellaneous Expense.....	0	20,275	50,333	0	70,608
2503. Intercompany Interest Expense.....	0	0	3,948	0	3,948
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	(11,265)	0	(11,265)
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	20,275	318,089	0	338,364

(a) Includes management fees of \$.....8,872,836 to affiliates and \$.....0 to non-affiliates.

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....354,860	.....340,928
1.1 Bonds exempt from U.S. tax.....	(a)......0	......0
1.2 Other bonds (unaffiliated).....	(a).....197,016	.....201,940
1.3 Bonds of affiliates.....	(a)......0	......0
2.1 Preferred stocks (unaffiliated).....	(b)......0	......0
2.11 Preferred stocks of affiliates.....	(b)......0	......0
2.2 Common stocks (unaffiliated).....	......0	......0
2.21 Common stocks of affiliates.....	......0	......0
3. Mortgage loans.....	(c)......0	......0
4. Real estate.....	(d)......0	......0
5. Contract loans.....	......0	......0
6. Cash, cash equivalents and short-term investments.....	(e).....12,150	.....12,150
7. Derivative instruments.....	(f)......0	......0
8. Other invested assets.....	......0	......0
9. Aggregate write-ins for investment income.....	.....13,041	.....13,041
10. Total gross investment income.....	.....577,067	.....568,059
11. Investment expenses.....		(g).....17,015
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g)......952
13. Interest expense.....		(h)......0
14. Depreciation on real estate and other invested assets.....		(i)......0
15. Aggregate write-ins for deductions from investment income.....		......0
16. Total deductions (Lines 11 through 15).....		.....17,967
17. Net investment income (Line 10 minus Line 16).....		.....550,092

DETAILS OF WRITE-INS		
0901. Intercompany Interest.....	.....13,041	.....13,041
0902. ....	......0	......0
0903. ....	......0	......0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	......0	......0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....13,041	.....13,041
1501. ....		......0
1502. ....		......0
1503. ....		......0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		......0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		......0
(a) Includes \$.....93,147 accrual of discount less \$.....28,033 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.		
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.		
(e) Includes \$.....12,150 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.		
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.		
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.		
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	......0	......0	......0	......0	......0
1.1 Bonds exempt from U.S. tax.....	......0	......0	......0	......0	......0
1.2 Other bonds (unaffiliated).....	......0	......0	......0	......0	......0
1.3 Bonds of affiliates.....	......0	......0	......0	......0	......0
2.1 Preferred stocks (unaffiliated).....	......0	......0	......0	......0	......0
2.11 Preferred stocks of affiliates.....	......0	......0	......0	......0	......0
2.2 Common stocks (unaffiliated).....	......0	......0	......0	......0	......0
2.21 Common stocks of affiliates.....	......0	......0	......0	......0	......0
3. Mortgage loans.....	......0	......0	......0	......0	......0
4. Real estate.....	......0	......0	......0	......0	......0
5. Contract loans.....	......0	......0	......0	......0	......0
6. Cash, cash equivalents and short-term investments.....	......0	......0	......0	......0	......0
7. Derivative instruments.....	......0	......0	......0	......0	......0
8. Other invested assets.....	......0	......0	......0	......0	......0
9. Aggregate write-ins for capital gains (losses).....	......0	......0	......0	......0	......0
10. Total capital gains (losses).....	......0	......0	......0	......0	......0
DETAILS OF WRITE-INS					
0901. ....	......0	......0	......0	......0	......0
0902. ....	......0	......0	......0	......0	......0
0903. ....	......0	......0	......0	......0	......0
0998. Summary of remaining write-ins for Line 9 from overflow page....	......0	......0	......0	......0	......0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	......0	......0	......0	......0	......0

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0
9. Receivables for securities.....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued.....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	13,506	83,728	70,222
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0
18.2 Net deferred tax asset.....	0	52,984	52,984
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	13,506	136,712	123,206
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	13,506	136,712	123,206

DETAILS OF WRITE-INS			
1101. ....	0	0	0
1102. ....	0	0	0
1103. ....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. ....	0	0	0
2502. ....	0	0	0
2503. ....	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	12,181	11,068	11,003	11,276	11,545	134,066
2. Provider service organizations.....	0	0	0	0	0	0
3. Preferred provider organizations.....	0	0	0	0	0	0
4. Point of service.....	401	303	312	320	184	3,305
5. Indemnity only.....	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	12,582	11,371	11,315	11,596	11,729	137,371

DETAILS OF WRITE-INS

0601. ....	0	0	0	0	0	0
0602. ....	0	0	0	0	0	0
0603. ....	0	0	0	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies and going concern

A. Accounting practices

The accompanying statutory financial statements of Aetna Health Inc. (a Maine corporation) (the “Company”), indirectly a wholly-owned subsidiary of Aetna Inc. (“Aetna”), have been prepared in conformity with accounting practices prescribed or permitted by the Maine Department of Professional and Financial Regulation, Bureau of Insurance (“Maine Department”) (“Maine Accounting Practices”). The Maine Department recognizes only statutory accounting practices prescribed or permitted by the State of Maine for determining and reporting the financial condition and results of operations of an insurance company, which include accounting practices and procedures adopted by the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC SAP”).

A reconciliation of the Company’s net (loss) income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Maine for the years ending December 31, 2015 and 2014 is as follows:

	State of Domicile	December 31, 2015	December 31, 2014
Net (loss) income (derived using Maine Accounting Practices)	ME	\$(1,188,052)	\$2,559,654
State of Maine Prescribed Practices: None	ME	-	-
State of Maine Permitted Practices: None	ME	-	-
Net (loss) income (derived using NAIC SAP)		<u>\$(1,188,052)</u>	<u>\$2,559,654</u>
Capital and surplus (derived using Maine Accounting Practices)	ME	\$12,651,490	\$15,669,848
State of Maine Prescribed Practices: None	ME	-	-
State of Maine Permitted Practices: None	ME	-	-
Capital and surplus (derived using NAIC SAP)		<u>\$12,651,490</u>	<u>\$15,669,848</u>

B. Use of estimates in the preparation of the financial statements

The preparation of these financial statements in conformity with Maine Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses. Actual results could differ from those estimates.

C. Accounting policies

The Company applies the following significant accounting policies:

(1) Cash, cash equivalents and short-term investments

Cash, cash equivalents and short-term investments, consisting primarily of money market instruments and other debt issues with an original maturity of up to one year, are carried at amortized cost. Short-term investments consist primarily of investments purchased with an original maturity date of greater than three months but less than one year. Cash equivalents consist of highly liquid instruments, which mature within three months from the date of purchase. The carrying amount of cash, cash equivalents and short-term investments approximates fair value.

(2) Bonds

Bonds, which include special deposits, are carried at amortized cost except for those bonds with an NAIC designation of 3 through 6, which are carried at the lower of amortized cost or fair value. The amount carried at fair value is not material to the financial statements. Bond premiums and discounts are amortized using the scientific interest method. When quoted prices in active markets for identical assets are available, the Company uses these quoted market prices to determine the fair value of bonds. This is used primarily for U.S. government securities. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, the Company estimates fair values using valuation methodologies based on available and observable market information or by using a matrix

pricing model. If quoted market prices are not available, the Company determines fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. The Company had no investments where fair value was determined using broker quotes or an internal analysis of financial performance and cash flow projections at December 31, 2015 and 2014. Bonds include all investments whose maturity is greater than one year when purchased.

The Company periodically reviews its bonds to determine whether a decline in fair value below the carrying value is other-than-temporary. For bonds, other than loan-backed and structured securities, an other-than-temporary impairment ("OTTI") shall be recorded if it is probable that the Company will be unable to collect all amounts due according to the contractual terms in effect at the date of acquisition. Declines deemed to be OTTI in the cost basis are recognized as realized capital losses. Yield-related impairments are deemed other-than-temporary when the Company intends to sell an investment at the reporting date before recovery of the cost of the investment.

For loan-backed and structured securities, the Company records OTTI when the fair value of the loan-backed or structured security is less than the amortized cost basis at the balance sheet date and (1) the Company intends to sell the investment, or (2) the Company does not have the intent and ability to retain the investment for the time sufficient to recover the amortized cost basis, or (3) the Company does not expect to recover the entire amortized cost basis of the security, even if it does not intend to sell the security and has the intent and ability to hold. If it is determined an OTTI has occurred because of (1) or (2), the amount of the OTTI is equal to the difference between the amortized cost and the fair value of the security at the balance sheet date and this difference is recorded as a realized capital loss. If it is determined an OTTI has occurred because of (3), the amount of the OTTI is equal to the difference between the amortized cost and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate and this difference is also accounted for as a realized capital loss.

The Company analyzes all relevant facts and circumstances for each investment when performing its analysis to determine whether an OTTI exists. Among the factors considered in evaluating whether a decline is other-than-temporary, management considers whether the decline in fair value results from a change in the quality of the investment security itself, whether the decline results from a downward movement in the market as a whole, the prospects for realizing the carrying value of the bond based on the investee's current and short-term prospects for recovery and other factors. The risks inherent in assessing the impairment of an investment include the risk that market factors may differ from our expectations and the risk that facts and circumstances factored into our assessment may change with the passage of time. Unexpected changes to market factors and circumstances that were not present in past reporting periods may result in a current period decision to sell securities that were not other-than-temporarily-impaired in prior reporting periods.

- (3) The Company did not own any common stock at December 31, 2015 or 2014.
- (4) The Company did not own any preferred stock at December 31, 2015 or 2014.
- (5) The Company did not have any mortgage loans at December 31, 2015 or 2014.
- (6) Securities lending

The Company engages in securities lending by lending certain securities from its investment portfolio to other institutions for short periods of time. Borrowers must post cash collateral in the amount of 102% to 105% of the fair value of a loaned security. The fair value of the loaned securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned securities fluctuates. The collateral is retained and invested by a lending agent according to the Company's guidelines to generate additional investment income for the Company. Pursuant to Statements of Statutory Accounting Principles ("SSAP") No. 103 - *Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* ("SSAP No. 103"), collateral required under the Company's securities lending program is carried on the Company's balance sheet as both a receivable and payable. Also pursuant to SSAP No. 103, if the collateral received from a counterparty is less than 100 percent at the reporting date, the difference between the actual collateral and 100 percent is nonadmitted. Collateral value is measured and compared to the loaned securities in aggregate by counterparty. The Company did not have any loaned securities at December 31, 2015 or 2014.

- (7) The Company did not have any investments in any subsidiaries or affiliated companies at December 31, 2015 or 2014.
- (8) The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2015 or 2014.
- (9) The Company did not have any derivatives at December 31, 2015 or 2014.

(10) Aggregate health policy reserves and related expenses

The Company offers individual conversion policies to individuals that were previously covered by a qualifying group policy. These policies are generally renewable at the option of the policyholder and statutory regulations preclude the Company from canceling coverages and may limit premium rate increases. Due to Federal Health Care Reform, the vast majority of these policies terminated in 2014. The Company has established an individual conversion reserve ("ICR") for such policies. The ICR represents the estimated net present value of future benefits to be paid to or on behalf of policyholders and related expenses less the estimated present value of future net premiums. The Company estimates its ICR using actuarial principles and assumptions which consider, among other things, contractual requirements, future premium increases, discount rates, historical utilization trends and payment patterns, persistency of membership and other relevant factors based on the Company's experience. ICR expenses are recorded as an increase in reserves for life and accident and health contracts. The Company had no ICR at December 31, 2015 or 2014.

Premium deficiency reserves ("PDR") are recognized when it is probable that the expected future hospital and medical costs, including maintenance costs, will exceed anticipated future premiums and reinsurance recoveries on existing contracts. Where allowed, anticipated investment income is considered in the calculation of any PDR. For purposes of calculating a PDR, contracts are grouped in manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts. The PDR balance of \$660,961 was included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus at December 31, 2015. The Company had no PDR at December 31, 2014.

Unearned premium reserves ("UEP") are recognized for premiums that are recorded by the Company that have not been earned as of the statement date. The UEP balances of \$11,962 and \$9,283 were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus at December 31, 2015 and 2014, respectively.

The Company is required to make premium rebate payments to customers that are enrolled under certain health insurance policies if specific minimum annual medical loss ratios ("MLR") are not met in the prior year. The Company did not have any minimum MLR rebates for the full-year 2015. The Company's results for full-year 2014 included an estimate of \$48 of minimum MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus.

As discussed in Note 2, the Company began reporting liabilities associated with contracts subject to redetermination as aggregate health policy reserves in accordance with SSAP No. 54 – *Individual and Group and Accident Health Contracts* ("SSAP No. 54") and SSAP No. 107 - *Risk-Sharing Provisions of the Affordable Care Act* ("SSAP No. 107"). The Company reported Affordable Care Act ("ACA") Risk Adjustment Payables of \$472 in aggregate health policy reserves at December 31, 2015.

(11) Hospital and medical costs and claims adjustment expenses and related reserves

Hospital and medical costs consist principally of fee-for-service medical claims and capitation costs. Claims unpaid include the Company's estimate of payments to be made on claims reported but not yet paid and for health care services rendered to enrollees but not yet reported to the Company as of the Statutory Statements of Assets and Liabilities, Capital and Surplus date. Such estimates are developed using actuarial principles and assumptions, which consider, among other things, historical and projected claim submission and processing patterns, medical cost trends, historical utilization of health care services, claim inventory levels, changes in membership and product mix, seasonality and other relevant factors. The Company reflects changes in estimates in hospital and medical costs in the Statutory Statements of Revenue and Expenses in the period they are determined. Capitation costs, which are recorded in hospital and medical expenses in the Statutory Statements of Revenue and Expenses, represent contractual monthly fees paid to participating physicians and other medical providers for providing medical care, regardless of the medical services provided to the enrollee.

The Company uses the triangulation method to estimate reserves for claims incurred but not reported. The method of triangulation makes estimates of completion factors that are then applied to the total paid claims (net of coordination of benefits) to date for each incurral month. This provides an estimate of the total projected incurred claims and total amount outstanding or claims incurred but not reported (claims unpaid). For the most current dates of service where there is insufficient paid claim data to rely solely on the triangulation method, the Company examines cost and utilization trends as well as environmental factors, plan changes, provider contracts, changes in membership and/or benefits, and historical seasonal patterns to estimate the reserve required for these months.

Claims adjustment expenses, which include cost containment expenses, represent the costs incurred related to the claim settlement process such as costs to record, process and adjust claims. These expenses are included in the Company's management agreement with an affiliate described in Note 10.

(12) The Company did not modify its capitalization policy from the prior period.



(13) Pharmaceutical rebate receivables

The Company estimates pharmaceutical rebate receivables based upon historical payment trends, actual utilization and other variables. Pharmaceutical rebates for a quarter are billed to the vendor within one month of the completion of the quarter with any adjustment to previously recorded amounts reflected at the time of billing. The Company reports pharmaceutical rebate receivables as health care receivables. Pharmacy rebate receivables over 90 days past due are nonadmitted. All rebates are processed and settled with an affiliated entity.

(14) Premiums and amounts due and unpaid

Premium revenue for prepaid health care products is recognized as income in the month in which enrollees are entitled to health care services. Premiums collected before the effective period are reported as premiums received in advance. Premiums related to unexpired contractual coverage periods are reported as unearned premiums in the Statutory Statements of Liabilities, Capital and Surplus (refer to discussion of aggregate health policy reserves and related expenses above).

Nonadmitted amounts consist of all premiums due and unpaid greater than 90 days past due, with the exception of amounts due under government insured plans, which may be admitted assets under certain circumstances. In addition, for any customer for which the premiums due and unpaid greater than 90 days past due is more than a de minimus portion of the entire balance of premiums due and unpaid for that customer, the entire balance of premiums due and unpaid for that customer is nonadmitted. Management also performs a specific review of accounts and based on the results of the review, additional amounts may be nonadmitted. Uncollectible amounts are generally written-off and charged to revenue in the period in which the customer reconciliations are completed and agreed to by the customer (retroactivity) or when the account is determined to be uncollectible by the Company.

(15) Aggregate health claim reserves

The reserve for future contingent benefits includes the estimated cost of services that will continue to be incurred after the Statutory Statements of Liabilities, Capital and Surplus date if the Company is obligated to pay for such services in accordance with contract provisions or regulatory requirements. These balances are recorded in aggregate health claim reserves in the Statutory Statements of Liabilities, Capital and Surplus and are estimated using a percentage of current hospital and medical costs, which is based on the Company's historical cost experience.

(16) Investment income due and accrued

Accrued investment income consists primarily of interest. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date. Due and accrued income is not recorded on: (a) bonds in default; and (b) bonds delinquent more than 90 days or where collection of interest is improbable. At December 31, 2015 and 2014, the Company did not have any nonadmitted investment income due and accrued.

(17) Covered and uncovered expenses and related liabilities

Covered expenses and related liabilities represent costs for health care expenses for which a member is not responsible in the event of the insolvency of the Company. Uncovered expenses and related liabilities represent costs to the Company for health care services that are the obligation of the Company and for which a member may also be liable in the event of the Company's insolvency.

(18) Fees Paid to the Federal Government by Health Insurers

Beginning January 1, 2014, SSAP No. 106 – *Affordable Care Act Assessments* ("SSAP No. 106") required (1) that the health insurer fee be recognized in full on January 1 of the fee year (the calendar year in which the assessment must be paid to the federal government), in the operating expense category of insurance taxes, licenses and fees, excluding federal income taxes and (2) that in each data year preceding a fee year a reporting entity pro-ratably accrue by reclassifying from unassigned funds (surplus) to aggregate write-ins for special surplus funds an amount equal to its estimated subsequent fee year assessment. This reclassification has no impact on total capital and surplus and is reversed in full on January 1 of the fee year beginning with fee years starting on January 1, 2015 and after. See Note 22 for disclosure of all amounts related to the health insurer fee for the Company.

(19) Accounting for the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010's (collectively, "Health Care Reform") Reinsurance, Risk Adjustment and Risk Corridor (the "3Rs") pursuant to SSAP No. 107 and INT 15-01: ACA Risk Corridors Collectibility ("INT 15-01")

Reinsurance

Health Care Reform established a temporary reinsurance program that expires at the end of 2016. Under this program, all issuers of major medical commercial insurance products and self-insured plan sponsors are required to contribute funding in amounts set by the U.S. Department of Health and Human Services

(“HHS”). A portion of the funds collected will be utilized to reimburse issuers' high claims costs incurred for qualified individual members. The expense related to this required funding is reflected in insurance, taxes, licenses and fees for all of the Company's insurance products with the exception of products associated with qualified individual members; this expense for qualified individual members is reflected as a reduction of premium revenue. When annual claim costs incurred by the Company's qualified individual members exceed a specified attachment point, the Company is entitled to certain reimbursements from this program. The Company records amounts recoverable for claims paid and unpaid and ceded claim benefit recoveries to reflect its estimate of these recoveries.

Risk Adjustment

Health Care Reform established a permanent risk adjustment program to transfer funds from qualified individual and small group insurance plans with below average risk scores to plans with above average risk scores. Based on the risk of the Company's qualified plan members relative to the average risk of members of other qualified plans in comparable markets, the Company estimates its ultimate risk adjustment receivable or payable for the current calendar year and reflects the impact as an adjustment to its premium revenue.

Risk Corridor

Health Care Reform established a temporary risk sharing program, which expires at the end of 2016, for qualified individual and small group insurance plans. Under this program the Company makes (or receives) a payment to (or from) HHS based on the ratio of allowable costs to target costs (as defined by Health Care Reform). The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on the Company's estimate of the ultimate risk sharing amount for the current calendar year. In October 2015, HHS announced that 2014 Health Care Reform risk corridor receivables would be funded at 12.6% to the extent HHS fully collects risk corridor payables. In November 2015, INT 15-01 was issued as guidance to address the accounting for risk corridor receivables. In conjunction with this guidance, the Company recorded a risk corridor receivable that coincides with the portion of the 2014 Health Care Reform risk corridor receivables that are considered collectible. The Company currently has not recorded any risk corridor receivables for the 2015 program year.

The Company expects to perform an annual final reconciliation and settlement with HHS of the 3Rs in each subsequent year. See Note 24.E. for disclosure of amounts related to the 3Rs for the Company for the periods ending December 31, 2015 and 2014.

(20) Federal and state income taxes

The Company is included in the consolidated federal income tax return of its parent company, Aetna and Aetna's other wholly-owned subsidiaries pursuant to the terms of a tax sharing agreement. In accordance with a written tax sharing agreement with an affiliate, the Company's current federal and state income tax provisions are generally computed as if the Company were filing a separate federal and state income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup federal and state income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal and state income taxes.

Income taxes are accounted for under the asset and liability method. Deferred income tax assets (“DTAs”) and liabilities (“DTLs”) represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in SSAP No. 101 - *Income Taxes* (“SSAP No. 101”). DTAs and DTLs are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

Pursuant to SSAP No. 101, gross DTAs are first reduced by a statutory valuation allowance adjustment to an amount that is more likely than not to be realized (“adjusted gross DTAs”). Adjusted gross DTAs are then admitted in an amount equal to the sum of paragraphs a. b. and c. below:

- a. Federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with Internal Revenue Service (“IRS”) tax loss carryback provisions.
- b. The amount of adjusted gross DTAs, after the application of paragraph a. above, expected to be realized within the applicable period and that is no greater than the applicable percentage as determined using the applicable Realization Threshold Limitation Table. The applicable period refers to the number of years in which the DTA will reverse in the Company's tax return and the applicable percentage refers to the percentage of the Company's statutory capital and surplus as required to be shown on the statutory balance sheet adjusted to exclude any net DTAs, electronic data processing equipment and operating system software and any net positive goodwill (“Stat Cap ExDTA”).

The Realization Threshold Limitation Tables allow DTAs to be admitted based upon either realization within 3 years and 15% of Stat Cap ExDTA, 1 year and 10% of Stat Cap ExDTA, or no DTA admitted pursuant to this paragraph b. In general, the Realization Threshold Limitation Tables allow the Company to admit more DTAs if total DTAs as reported by the Company are a smaller percentage of statutory capital and surplus.

- c. The amount of gross DTAs, after the application of paragraphs a. and b. above that can be offset against existing gross DTLs. In applying this offset, the Company considers the character (i.e. ordinary versus capital) of the DTAs and DTLs such that offsetting would be permitted in the tax return under existing enacted federal income tax laws and regulations and the reversal patterns of temporary differences.

Changes in DTAs and DTLs are recognized as a separate component of gains and losses in surplus ("Change in net deferred income tax") except to the extent allocated to changes in unrealized gains and losses. Changes in DTAs and DTLs allocated to unrealized gains and losses are netted against the related changes in unrealized gains and losses and are reported as "Change in net unrealized capital gains (losses)", also a separate component of gains and losses in surplus.

State income tax expense is recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. For the years ended December 31, 2015 and 2014, the Company incurred state income tax expense (recoveries) of \$149,129 and \$122,884, respectively. At December 31, 2015 and 2014, the Company reported \$376,209 and \$146,417, respectively, as state income tax receivable, which was included as write-ins in the Statutory Statements of Assets.

#### (21) Reinsurance

In the normal course of business, the Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results and to help balance its risks and capital by reinsuring certain levels of risk with other insurance enterprises. Reinsurance premiums and reserves related to reinsured business are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums ceded for medical losses and the related unpaid reserves have been reported as reductions of these items. The reinsurance agreements are more fully discussed in Note 23.

#### D. Going concern

Effective December 31, 2016, the Company will adopt amended accounting guidance related to management's evaluation of whether there is a substantial doubt about the entity's ability to continue as a going concern and the related disclosures and will make disclosures at that time and thereafter pursuant to the guidance.

#### 2. Accounting changes and corrections of errors

In 2015, SSAP No. 54 and SSAP No. 107 were amended to change the lines of the annual statement that premium adjustments for contracts subject to redetermination are reported on. This resulted in the Company reporting amounts on the Statutory Statements of Assets page, Line 15.3, Accrued retrospective premiums and contracts subject to redetermination at December 31, 2015 that are reported as part of Statutory Statements of Assets page, Line 25, Aggregate write-ins for other than invested assets at December 31, 2014. It also resulted in the Company reporting amounts on Statutory Statements of Liabilities, Capital and Surplus page, Line 2, Aggregate reserves for accident and health contracts at December 31, 2015 that are reported as part of Statutory Statements of Liabilities, Capital and Surplus page, Line 25, Aggregate write-ins for liabilities at December 31, 2014. There were no changes to either the Company's total assets or total liabilities as a result of these changes.

The Company did not have any corrections of errors in the year ended December 31, 2015.

During 2014, the Company recorded a correction to prescription drugs, for prior year dates of service, in the amount of \$50,033 to properly reflect the payments associated with pharmacy claims. This adjustment and its tax effect were included as write-ins in the Statutory Statements of Revenue and Expenses (Continued).

The Company did not have any accounting changes in the year ended December 31, 2014.

#### 3. Business combinations and goodwill

The Company was not a part of any business combinations that involved the statutory purchase method, a statutory merger, an assumption reinsurance, or an impairment loss in the years ending December 31, 2015 and 2014.

#### 4. Discontinued operations

The Company did not have any discontinued operations in the years ending December 31, 2015 and 2014.

#### 5. Investments

- A. The Company did not have any mortgage loans, including Mezzanine Real Estate Loans, at December 31, 2015 or 2014.

- B. The Company did not have any debt restructuring in the years ending December 31, 2015 and 2014.
- C. The Company did not have any reverse mortgages at December 31, 2015 or 2014.
- D. Loan-Backed Securities
- (1) Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from industry market sources.
  - (2) The Company had no OTTI losses during 2015 on loan-backed and structured securities in which the Company had the (1) intent to sell, (2) did not have the intent and ability to retain for a period of time sufficient to recover the amortized cost basis or (3) present value of cash flows expected to be collected is less than the amortized cost basis of the securities in accordance with SSAP No. 43R - *Loan-Backed and Structured Securities*.
  - (3) The Company had no recognized OTTI on loan-backed and structured securities currently held, in which the present value of cash flows expected to be collected is less than the amortized cost basis, at December 31, 2015.
  - (4) The Company had no unrealized loss position on loan-backed and structured securities held by the Company at December 31, 2015.
- E. Repurchase Agreements and/or Securities Lending Transactions
- (1) The Company did not have any repurchase agreements or loaned securities transactions at December 31, 2015.
  - (2) The Company did not pledge any of its assets as collateral, which are classified as securities pledged to creditors as of December 31, 2015.
  - (3) Neither the Company nor its agent has accepted collateral that is permitted by contract or custom to sell or repledge as of December 31, 2015.
  - (4) The Company did not have securities lending transactions administered by an affiliated agent which is "one line" reported at December 31, 2015.
  - (5) The Company did not have any repurchase agreements, loaned securities or dollar repurchase agreements at December 31, 2015.
  - (6) The Company has not accepted collateral that is not permitted by contract or custom to sell or repledge as of December 31, 2015.
  - (7) The Company did not have any collateral for transactions that extend beyond one year from the reporting date.
- F. The Company did not have any real estate at December 31, 2015 or 2014.
- G. The Company did not have any low-income housing tax credits at December 31, 2015.

H. Restricted Assets

(1) Restricted assets (including pledged):

Restricted Asset Category	1	2	3	4	5	6
	Total gross restricted from current year	Total gross restricted from prior year	Increase (decrease) (1 minus 2)	Total current year admitted restricted	Percentage gross restricted to total assets	Percentage admitted restricted to total admitted assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-
j. On deposit with states	\$402,755	\$403,334	\$(579)	\$402,755	1.535%	1.536%
k. On deposit with other regulatory bodies	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-
o. Total restricted assets	\$402,755	\$403,334	\$(579)	\$402,755	1.535%	1.536%

(2) The Company did not have any assets pledged as collateral not captured in other categories at December 31, 2015.

(3) The Company did not have any other restricted assets at December 31, 2015.

- I. The Company did not have any working capital finance investments at December 31, 2015.
- J. The Company did not have any offsetting and netting of financial assets or liabilities as of December 31, 2015.
- K. The Company did not have any structured notes at December 31, 2015.



6. Joint ventures, partnerships, and limited liability companies

- A. The Company did not have any joint ventures, partnerships, or limited liability companies that exceeded 10% of its admitted assets at December 31, 2015 or 2014.
- B. The Company does not have any impaired investments in joint ventures, partnerships, or limited liability companies at December 31, 2015 or 2014.

7. Investment income

A. and B.

There was no investment income due and accrued excluded from surplus at December 31, 2015 or 2014.

8. Derivative instruments

The Company did not have any derivative instruments at December 31, 2015 or 2014.

9. Income taxes

A.

- 1. The components of the net DTAs recognized in the Company's Statutory Statements of Assets, Liabilities, Surplus and Other Funds are as follows:

December 31, 2015			
	Ordinary	Capital	Total
(a) Gross DTAs	\$533,778	\$295,106	\$828,884
(b) Statutory valuation allowance adjustment	-	(60,826)	(60,826)
(c) Adjusted gross DTAs	533,778	234,280	768,058
(d) DTAs nonadmitted	-	-	-
(e) Subtotal net admitted DTAs	533,778	234,280	768,058
(f) DTLs	(71,043)	(95,167)	(166,210)
(g) Net admitted DTAs/(DTLs)	\$462,735	\$139,113	\$601,848
December 31, 2014			
	Ordinary	Capital	Total
(a) Gross DTAs	\$60,838	\$295,106	\$355,944
(b) Statutory valuation allowance adjustment	-	(28,036)	(28,036)
(c) Adjusted gross DTAs	60,838	267,070	327,908
(d) DTAs nonadmitted	-	(52,984)	(52,984)
(e) Subtotal net admitted DTAs	60,838	214,086	274,924
(f) DTLs	(109,123)	(63,998)	(173,121)
(g) Net admitted DTAs/(DTLs)	\$(48,285)	\$150,088	\$101,803
Change			
	Ordinary	Capital	Total
(a) Gross DTAs	\$472,940	-	\$472,940
(b) Statutory valuation allowance adjustment	-	\$(32,790)	(32,790)
(c) Adjusted gross DTAs	472,940	(32,790)	440,150
(d) DTAs nonadmitted	-	52,984	52,984
(e) Subtotal net admitted DTAs	472,940	20,194	493,134
(f) DTLs	38,080	(31,169)	6,911
(g) Net admitted DTAs/(DTLs)	\$511,020	\$(10,975)	\$500,045

2. The amount of admitted gross DTAs admitted under each component of SSAP No. 101:

	December 31, 2015		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$533,778	\$50,343	\$584,121
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	-	99,745	99,745
1. Adjusted gross DTAs expected to realized following the balance sheet date	-	99,745	99,745
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	1,807,446
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	84,192	84,192
(d) DTAs admitted as the result of application of SSAP No. 101	\$533,778	\$234,280	\$768,058
	December 31, 2014		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	-	\$66,847	\$66,847
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	\$60,838	83,241	144,079
1. Adjusted gross DTAs expected to realized following the balance sheet date	60,838	83,241	144,079
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	2,335,207
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	63,998	63,998
(d) DTAs admitted as the result of application of SSAP No. 101	\$60,838	\$214,086	\$274,924
	Change		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$533,778	\$(16,504)	\$517,274
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	(60,838)	16,504	(44,334)
1. Adjusted gross DTAs expected to realized following the balance sheet date	(60,838)	16,504	(44,334)
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	(527,761)
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	20,194	20,194
(d) DTAs admitted as the result of application of SSAP No. 101	\$472,940	\$20,194	\$493,134

3.

	2015	2014
(a) Ratio percentage used to determine recovery period and threshold limitation amount	373%	384%
(b) Amount of adjusted capital and surplus used to determine recovery period threshold limitation in 2(b)2 above	\$12,049,642	\$15,568,045

4. The impact of tax planning strategies is as follows:

December 31, 2015			
	Ordinary	Capital	Total
(a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage			
1. Adjusted gross DTAs amount from Note 9A1(c)	\$533,778	\$234,280	\$768,058
2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies	0%	13%	13%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$533,778	\$234,280	\$768,058
4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies	0%	13%	13%
December 31, 2014			
	Ordinary	Capital	Total
(a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage			
1. Adjusted gross DTAs amount from Note 9A1(c)	\$60,838	\$267,070	\$327,908
2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies	0%	81%	81%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$60,838	\$214,086	\$274,924
4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies	0%	78%	78%
Change			
	Ordinary	Capital	Total
(a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage			
1. Adjusted gross DTAs amount from Note 9A1(c)	\$472,940	\$(32,790)	\$440,150
2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies	0%	(68)%	(68)%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$472,940	\$20,194	\$493,134
4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies	0%	(65)%	(65)%

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes      No   X  

B. There are no DTLs that were not recognized at December 31, 2015 or 2014.

C. Current income taxes incurred consist of the following major components:

December 31,			
	2015	2014	Change
1. Current income tax			
(a) Federal	\$562,363	\$256,566	\$305,797
(b) Foreign	-	-	-
(c) Subtotal	562,363	256,566	305,797
(d) Federal income tax on net capital gains	-	44,397	(44,397)
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$562,363	\$300,963	\$261,400



Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

	December 31,		
	2015	2014	Change
2. DTAs:			
(a) Ordinary			
Claims unpaid	\$24,544	\$24,066	\$478
Uncollected premiums - nonadmitted	1,651	2,565	(914)
Premium deficiency reserve	231,336	-	231,336
CMS Risk Share	261,199	-	261,199
Patient-Centered Outcomes Research Institute fee	10,321	4,902	5,419
Premiums receivable - nonadmitted	4,727	29,305	(24,578)
Total ordinary DTAs	533,778	60,838	472,940
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted ordinary DTAs	-	-	-
(d) Admitted ordinary DTAs	533,778	60,838	472,940
(e) Capital			
Investments	295,106	295,106	-
Total capital DTAs	295,106	295,106	-
(f) Statutory valuation allowance adjustment	(60,826)	(28,036)	(32,790)
(g) Nonadmitted capital DTAs	-	(52,984)	52,984
(h) Admitted capital DTAs	234,280	214,086	20,194
(i) Admitted DTAs	768,058	274,924	493,134
3. DTLs:			
(a) Ordinary			
Allowance for billing adjustment	71,043	109,123	(38,080)
Ordinary DTLs	71,043	109,123	(38,080)
(b) Capital			
Investments	95,167	63,998	31,169
Capital DTLs	95,167	63,998	31,169
(c) Total DTLs	166,210	173,121	(6,911)
4. Net admitted DTAs	\$601,848	\$101,803	\$500,045

The change in net deferred income taxes is comprised of the following:

	December 31,		
	2015	2014	Change
Total DTAs	\$768,058	\$327,908	\$440,150
Total DTLs	(166,210)	(173,121)	6,911
Net DTAs/(DTLs)	\$601,848	\$154,787	447,061
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			\$447,061

The valuation allowance adjustment to gross DTAs was \$60,826 and \$28,036 for December 31, 2015 and 2014, respectively.

D. The (benefit) provision for federal income taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The items causing this difference were as follows:

	December 31, 2015	Effective tax rate	December 31, 2014	Effective tax rate
(Benefit) provision computed at statutory rate	\$(218,990)	35.0%	\$1,001,219	35.0%
Management fee adjustment	(327,921)	55.6%	(315,498)	(11.0)%
Health Insurer Fee	705,110	(112.7)%	507,290	17.7%
Other permanent items	220	0.0%	1,902	0.1%
Change in nonadmitted assets	24,578	(3.9)%	18,401	0.6%
Change in statutory valuation allowance adjustment	32,790	(5.2)%	21,349	0.7%
Prior year return to provision adjustment	(80,485)	12.9%	2,691	0.1%
Total	\$115,302	(18.4)%	\$1,237,354	43.2%
Federal and foreign income tax expense incurred	\$562,363	(89.9)%	\$300,964	10.5%
Change in net deferred income taxes	(447,061)	71.5%	936,390	32.7%
Total statutory income taxes	\$115,302	(18.4)%	\$1,237,354	43.2%

The transfer pricing adjustment allows taxpayers to apply different methods to price current period intercompany services at arm's length prices as compared to what would be charged to an unrelated entity, which results in a permanent deduction for tax reporting purposes.

E.

1. At December 31, 2015, the Company had no net capital loss or net operating loss carryforwards for tax purposes.
2. The amount of federal income taxes incurred that is available for recoupment in the event of future net losses is \$640,226 and \$233,459 for the years ended December 31, 2015 and 2014.
3. The Company did not report any deposits as admitted assets under Internal Revenue Code Section 6603 at December 31, 2015 and 2014.

F.

1. At December 31, 2015, the Company's Federal Income Tax Return was consolidated with the following entities:

Aetna Inc. - Parent Company	Cofinity, Inc.
@ Credentials Inc.	Corporate Benefit Strategies, Inc.
Active Health Management Inc.	Coventry Consumer Advantage, Inc.
Adminco, Inc.	Coventry Financial Management Services, Inc.
Administrative Enterprises, Inc.	Coventry Health and Life Insurance Company
AE Fourteen Incorporated	Coventry Health Care National Accounts, Inc.
Aetna ACO Holdings, Inc.	Coventry Health Care National Network, Inc.
Aetna Better Health Inc. (Connecticut)	Coventry Health Care of Delaware, Inc.
Aetna Better Health Inc. (Florida)	Coventry Health Care of Florida, Inc.
Aetna Better Health Inc. (Georgia)	Coventry Health Care of Georgia, Inc.
Aetna Better Health Inc. (Illinois)	Coventry Health Care of Illinois, Inc.
Aetna Better Health Inc. (New Jersey)	Coventry Health Care of Kansas, Inc.
Aetna Better Health Inc. (New York)	Coventry Health Care of Missouri, Inc.
Aetna Better Health Inc. (Ohio)	Coventry Health Care of Nebraska, Inc.
Aetna Better Health Inc. (Pennsylvania)	Coventry Health Care of Pennsylvania, Inc.
Aetna Better Health Inc. (Tennessee)	Coventry Health Care of Texas, Inc.
Aetna Better Health of California Inc.	Coventry Health Care of the Carolinas, Inc.
Aetna Better Health of Iowa Inc.	Coventry Health Care of Virginia, Inc.
Aetna Better Health of Kentucky Insurance Company	Coventry Health Care of West Virginia, Inc.
Aetna Better Health of Michigan Inc.	Coventry Health Care Workers Compensation, Inc.
Aetna Better Health of Missouri LLC	Coventry Health Plan of Florida, Inc.
Aetna Better Health of Texas Inc.	Coventry HealthCare Management Corporation
Aetna Better Health, Inc. (Louisiana)	Coventry Prescription Management Services, Inc.
Aetna Dental Inc. (New Jersey)	Coventry Rehabilitation Services, Inc.
Aetna Dental Inc. (Texas)	Coventry Transplant Network, Inc.
Aetna Dental of California Inc.	Delaware Physicians Care, Incorporated
Aetna Health and Life Insurance Company	Echo Merger Sub, Inc.

Aetna Health Finance, Inc.	First Health Group Corp.
Aetna Health Inc. (Connecticut)	First Health Life and Health Insurance Company
Aetna Health Inc. (Florida)	First Script Network Services, Inc.
Aetna Health Inc. (Georgia)	Florida Health Plan Administrators, LLC
Aetna Health Inc. (Iowa)	FOCUS Healthcare Management, Inc.
Aetna Health Inc. (Louisiana)	Group Dental Service of Maryland, Inc.
Aetna Health Inc. (Maine)	Group Dental Service, Inc.
Aetna Health Inc. (Michigan)	Health and Human Resource Center, Inc.
Aetna Health Inc. (New Jersey)	Health Data & Management Solutions, Inc.
Aetna Health Inc. (New York)	Health Re, Incorporated
Aetna Health Inc. (Pennsylvania)	HealthAmerica Pennsylvania, Inc.
Aetna Health Inc. (Texas)	HealthAssurance Financial Services, Inc.
Aetna Health Insurance Company	HealthAssurance Pennsylvania, Inc.
Aetna Health Insurance Company of New York	Managed Care Coordinators, Inc.
Aetna Health of California Inc.	Medicity Inc.
Aetna Health of Utah Inc.	Mental Health Associates, Inc.
Aetna HealthAssurance Pennsylvania Inc.	Mental Health Network of New York IPA, Inc.
Aetna Insurance Company of Connecticut	Meritain Health, Inc.
Aetna Integrated Informatics, Inc.	MetraComp, Inc.
Aetna International Inc.	MHNet Life and Health Insurance Co.
Aetna Ireland Inc.	MHNet of Florida, Inc.
Aetna Life & Casualty (Bermuda) Ltd.	Niagara Re, Inc.
Aetna Life Assignment Company	PayFlex Holdings, Inc.
Aetna Life Insurance Company	PayFlex Systems USA, Inc.
Aetna Risk Assurance Company of Connecticut, Inc.	Performax, Inc.
Aetna Risk Indemnity Company Limited	Precision Benefit Services, Inc.
Aetna Student Health Agency Inc.	Prime Net, Inc.
AHP Holdings, Inc.	Prodigy Health Group, Inc.
Allviant Corporation	Professional Risk Management, Inc.
American Health Holding, Inc.	Resources for Living, LLC
AUSHC Holdings, Inc.	Schaller Anderson Medical Administrators, Incorporated
Broadspire National Services, Inc.	Strategic Resource Company
bSwift, LLC	The Vasquez Group Inc.
Cambridge Life Insurance Company	U.S. Health Care Properties, Inc.
Carefree Insurance Services, Inc.	Work and Family Benefits, Inc.
Chickering Claims Administrators, Inc.	
Claims Administration Corp.	

- 2. As explained in Note 1, the Company participates in a tax sharing agreement with its parent and affiliates.
- G. The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

10. Information concerning Parent, subsidiaries, affiliates, and other related parties

A., B. and C.

The Company paid \$2,400,000 as an ordinary dividend to its parent on December 9, 2015. The Maine Department approved this distribution on November 9, 2015. The Company did not pay any dividends in 2014. The Company did not receive any capital contributions in 2015 or 2014.

- D. Amounts due to and due from affiliates shown in the accompanying Statutory Statements of Assets, Liabilities, Capital and Surplus include the Company's net receipts and disbursements processed by affiliates and transactions related to its administrative services agreement with Aetna Health Management, LLC ("AHM"), indirectly a wholly-owned subsidiary of Aetna.

At December 31, 2015 and 2014, the Company reported \$2,483,188 and \$3,716,535, respectively, as amounts due to AHM. At December 31, 2015 and 2014, the Company did not have any amounts due from affiliates.

The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

- E. At December 31, 2015, the Company did not have any guarantees or undertakings with its affiliates or parent company.
- F. As of and for the years ended December 31, 2015 and 2014, the Company had the following significant transactions with affiliates:

The Company and AHM are parties to an administrative services agreement, under which AHM provides certain administrative services, including accounting and processing of premiums and claims. Under this agreement, the Company remits a percentage of its earned commercial, Medicaid and Medicare premium revenue, as applicable, to AHM as a fee, subject to an annual true-up mechanism as defined in the

agreement. Under the agreement, this true-up is due to be settled with the affiliate by April 15<sup>th</sup> of the following contract year (which is January 1 to December 31 annually). Effective January 1, 2014, this agreement was amended to include terms and conditions to comply with Medicare laws, regulations and Centers for Medicare & Medicaid Services (“CMS”) instructions. For these services, the Company was charged the following:

	2015	2014
Administrative service fee	\$8,876,121	\$11,139,146
Current year estimated accrued true-up	86,715	-
Total administrative service fee	\$8,872,836	\$11,139,146

This agreement also provides for interest on all intercompany balances. Interest earned on amounts due from affiliates was \$13,041 in 2015 and \$6,506 in 2014. Interest incurred on amounts due to affiliates was \$3,948 in 2015 and \$1,937 in 2014.

The Company is a party to an agreement that enables the Company to receive manufacturers' pharmacy rebates from AHM under which the Company remits a percentage of its earned pharmaceutical rebates to AHM as a fee. The Company earned pharmaceutical rebates of \$2,924,725 and \$2,725,221, which were recorded as a reduction of hospital and medical costs, in 2015 and 2014, respectively. The Company incurred pharmaceutical rebate fees, which were recorded as administrative expense, of \$275,073 in 2015 and \$272,522 in 2014. At December 31, 2015 and 2014, the Company reported \$261,914 and \$221,447, respectively, as amounts due from AHM related to pharmaceutical rebates that were reflected in health care and other amounts receivable. The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

The amounts reported on the Underwriting and Investment Exhibit, Part 3 represent the expenses incurred under the terms of the administrative agreement, allocated to the Company in accordance SSAP No. 70 - *Allocation of Expenses* (“SSAP No. 70”). SSAP No. 70 states “shared expenses, including expenses under the terms of a management contract, shall be apportioned to the entities incurring the expense as if the expense had been paid solely by the incurring entity. The apportionment shall be completed based upon specific identification to the entity incurring the expense. Where specific identification is not feasible, apportionment shall be based upon pertinent factors or ratios.” The Company allocates these expenses based upon a percentage calculated using actual general and administrative expenses incurred by AHM.

The Company has coverage for certain litigation exposures (\$10,000,000 per claim and in the aggregate including defense costs) through an affiliated captive insurance company.

The Company has an insolvency agreement with Aetna Health Insurance Company (“AHIC”), a wholly-owned subsidiary of Aetna. This agreement provides that in the event that the Company ceases operations or becomes insolvent, AHIC will continue to pay benefits for any members confined as inpatients on the date of insolvency until their discharge. This agreement also provides that AHIC will continue benefits for any member until the end of the contract period for which premium has been paid, but for no longer than thirty-one days. AHIC will also make available to members, for a period of thirty-one days, replacement insurance policies.

As explained in Note 1, the Company participates in a tax sharing agreement with Aetna and Aetna's other subsidiaries. All federal income tax receivables/payables are due from/due to Aetna.

The Company has a guaranty agreement with Aetna. The agreement provides that the Company will maintain a minimum capital and surplus as required by law and any additional surplus the Superintendent of the Maine Department may require so that the Company's surplus is reasonable in relation to its outstanding liabilities. The Company is obligated to maintain the minimum capital and surplus in funds and investments which are admitted assets. The Company will maintain this minimum capital and surplus so long as it has any obligations to enrollees.

- G. All outstanding shares of the Company are owned by Aetna Health Holdings, LLC, whose ultimate parent is Aetna.
- H. At December 31, 2015, the Company did not hold any investments in any affiliate and did not own shares of any upstream intermediate of Aetna.
- I. At December 31, 2015, the Company did not hold any investments in any subsidiary, controlled or affiliated (“SCA”) entity.
- J. At December 31, 2015, the Company did not hold any investments in any impaired SCA entity.
- K. At December 31, 2015, the Company did not hold any investments in any foreign insurance subsidiaries.
- L. At December 31, 2015, the Company did not hold any investments in a downstream noninsurance holding company.

M and N.

At December 31, 2015, the Company did not have any SCA investments.

11. Debt

- A. The Company did not have any items related to debt, including capital notes at December 31, 2015.
- B. The Company did not have any Federal Home Loan Bank agreements at December 31, 2015.

12. Retirement plans, deferred compensation, postemployment benefits and compensated absences and other postretirement benefit plans

The Company did not have a retirement plan, deferred compensation plan, or other postretirement benefit plan at December 31, 2015 or 2014.

13. Capital and surplus, shareholders' dividend restrictions and quasi-reorganizations

- (1) The Company has 1,000,000 shares of common stock with \$1 par value authorized, issued and outstanding at December 31, 2015 and 2014.
- (2) The Company did not have any preferred stock authorized or outstanding at December 31, 2015 or 2014.
- (3) Dividend restrictions

Under the laws of the State of Maine, the Company shall not pay any extraordinary dividend or make any other extraordinary distribution until sixty days after the Maine Department has received notice of the declaration thereof and has not within such period disapproved such payment or the Maine Department has approved such payment within such sixty day period. An extraordinary dividend or distribution includes any dividend or distribution that exceeds the greater of: 10% of such insurer's surplus as regards policyholders as of December 31st of the preceding year; or the net gain from operations for the twelve month period ending December 31st of the preceding year. Ordinary dividends are ultimately limited to earned surplus.

The Company may make a non-extraordinary dividend with prior notification to the Maine Department within five business days following the declaration of any non-extraordinary dividend and at least ten days prior to the payment of any non-extraordinary dividend.

In addition, any dividend or distribution declared at any time within five years following any acquisition of control of a domestic insurer or by any person controlling that insurer is an extraordinary dividend if it has not been approved by a number of continuing directors equal to a majority of the continuing directors in office immediately preceding the acquisition of control.

- (4) The Company paid \$2,400,000 as an ordinary dividend to its parent on December 9, 2015. The Maine Department approved this distribution on November 9, 2015. The Company did not pay any dividends in 2014.
- (5) At December 31, 2015, the portion of the Company's profits that may be paid as ordinary dividends to stockholders was \$1.2 million.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus was being held at December 31, 2015 or 2014, except as noted in Note 21.
- (7) Not applicable to the Company.
- (8) The Company did not hold any stock for any special purposes at December 31, 2015 or 2014.
- (9) Changes in the balances of special surplus funds from the prior year are due to the accrual of estimated ACA health insurer fees reclassified from unassigned funds (surplus) to aggregate write-ins for special surplus funds as discussed more fully in Note 1.C and Note 22.
- (10) At December 31, 2015 and 2014, there was no portion of unassigned funds or surplus that was represented or reduced by unrealized gains and losses.
- (11) The Company has not issued any surplus notes or debentures or similar obligations at December 31, 2015 or 2014.
- (12) The Company did not participate in any quasi-reorganizations during the statement year.
- (13) The Company did not participate in any quasi-reorganizations in the past 10 years.

14. Contingencies

- A. The Company did not have any contingent commitments at December 31, 2015 or 2014.



- B. The Company did not have any contingent assessments at December 31, 2015 or 2014.
- C. The Company did not have any gain contingencies at December 31, 2015 or 2014.
- D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2015 or 2014.
- E. The Company did not have any joint and several liability arrangements at December 31, 2015 or 2014.
- F. Various liabilities arise in the normal course of the Company's business and have been recorded. In the opinion of management, any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position. The Company, to the best of its knowledge, has no assets that it considers impaired that are not already recorded in the Company's books.

15. Leases

The Company did not have any material lease obligations at December 31, 2015 or 2014.

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk

The Company did not have any financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk at December 31, 2015 or 2014.

17. Sale, transfer and servicing of financial assets and extinguishments of liabilities

A. Transfers of receivables reported as sales

- (1) The Company did not have any transfers of receivables as sales for the years ending December 31, 2015 and 2014.

B. Transfer and servicing of financial assets

- (1) The Company's policy for requiring collateral or other security for security lending transactions as required in SSAP No. 103 is discussed in Note 1. The Company did not have any loaned securities at December 31, 2015 or 2014.

(2) and (3)

The Company did not have any servicing assets or liabilities at December 31, 2015 or 2014.

- (4) The Company did not have any securitized financial assets at December 31, 2015 or 2014.
- (5) The Company did not have any transfers of financial assets at December 31, 2015 or 2014.
- (6) The Company did not have any transfers of receivables with recourse at December 31, 2015 or 2014.
- (7) The Company did not have any repurchase or reverse repurchase agreements at December 31, 2015 or 2014.

C. Wash sales

- (1) The Company did not have any wash sales for the years ending December 31, 2015 or 2014.

18. Gain or loss to the HMO from uninsured plans and the uninsured portion of partially insured plans

- A. The Company did not serve as an Administrative Services Only for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2015.
- B. The Company did not serve as an Administrative Services Contract plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2015.
- C. Medicare or other similarly structured cost based reimbursement contract

The Company reports items related to its Medicare product offerings due from (to) CMS as amounts receivable relating to uninsured plans or liability for amounts held under uninsured plans on the Statutory Statements of Assets, Liabilities, Capital and Surplus, as per SSAP No. 47 - *Uninsured Plans*. At December 31, 2015, the Company had low-income subsidy (cost sharing portion) and CMS coverage gap discount receivables of \$372,194 and reinsurance payment payables of \$998,229. At December 31, 2014, the Company had reinsurance payment and low-income (cost sharing portion) receivables of \$1,052,494.

19. Direct premium written/produced by managing general agents/third party administrators

The Company did not have any material direct premiums written through/produced by managing general agents or third party administrators for the years ended December 31, 2015 and 2014.

20. Fair value measurements

A. and B.

The Company had no material assets or liabilities measured and reported at fair value at December 31, 2015 or 2014.

C. Certain of the Company's financial instruments are measured at fair value in our balance sheets. The fair values of these instruments are based on valuations that include inputs that can be classified within one of three levels of a hierarchy established by U.S. generally accepted accounting principles. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies a financial asset or liability for each level:

- **Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets.
- **Level 2** – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets.
- **Level 3** – Developed from unobservable data, reflecting our own assumptions.

Financial assets and liabilities are classified based upon the lowest level of input that is significant to the valuation. When quoted prices in active markets for identical assets and liabilities are available, we use these quoted market prices to determine the fair value of financial assets and liabilities and classify these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, we estimate fair value using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, we determine fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be observable.

The carrying values and estimated fair values of the Company's financial instruments at December 31, 2015 and 2014 were as follows:

December 31, 2015

	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3	Not practicable (carrying value)
Bonds, short-term investments and cash equivalents	\$21,899,095	\$21,169,876	\$11,401,991	\$10,497,104	-	-
Total	\$21,899,095	\$21,169,876	\$11,401,991	\$10,497,104	-	-

December 31, 2014

	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3	Not practicable (carrying value)
Bonds, short-term investments and cash equivalents	\$23,772,353	\$22,769,232	\$13,605,282	\$10,167,071	-	-
Total	\$23,772,353	\$22,769,232	\$13,605,282	\$10,167,071	-	-

The valuation methods and assumptions used by the Company in estimating the fair value of debt securities are discussed in Note 1.

There were no material realized and unrealized capital gains, purchases, sales, settlements, or transfers into or out of the Company's Level 3 financial assets during 2015 or 2014.

In evaluating the Company's management of interest rate and liquidity risk and currency exposures, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

- D. The Company did not have any financial instruments where it was not practicable to estimate the fair value.

21. Other items

A. Extraordinary items

The Company did not have any extraordinary items for the years ended December 31, 2015 and 2014.

B. Troubled debt restructuring: debtors

The Company did not have any troubled debt restructuring in the years ended December 31, 2015 and 2014.

C. Other disclosures and unusual items

(1) Minimum capital and surplus

Under the laws of the State of Maine, the Company is required to maintain a minimum capital and surplus equal to the greater of (1) \$1,000,000; (2) 2% of the annual premium revenues as reported by the Company on its most recent annual financial statement filed with the Superintendent for the first \$150,000,000 of premium reported and 1% of the annual premium in excess of the first \$150,000,000 of premium reported; (3) an amount equal to the sum of three months of uncovered health care expenditures as reported on the financial statement covering the Company's immediately preceding fiscal year as filed with the superintendent; or (4) an amount equal to the sum of 8% of the annual health care expenditures, except those paid on a capitated basis as reported on the financial statement covering the Company's immediately preceding fiscal year as filed with the superintendent. At December 31, 2015 and 2014, the Company's capital and surplus exceeded all such requirements.

The NAIC and the State of Maine adopted risk-based capital ("RBC") standards for health organizations, including HMOs, that are designed to identify weakly capitalized companies by comparing each company's adjusted capital and surplus to its required capital and surplus (the "RBC Ratio"). The RBC Ratio is designed to reflect the risk profile of the company. Within certain ratio ranges, regulators have increasing authority to take action as the RBC Ratio decreases. There are four levels of regulatory action, ranging from requiring insurers to submit a comprehensive plan to the state insurance commissioner to requiring the state insurance commissioner to place the insurer under regulatory control. At December 31, 2015 and 2014, the Company had capital and surplus that exceeded the highest threshold specified by the RBC rules.

(2) Health Care Reform

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, "Health Care Reform" or "ACA"), enacted in March 2010, has changed and will continue to make broad-based changes to the U.S. health care system. The Company expects Health Care Reform and changes to Health Care Reform to continue to significantly impact the Company's business operations and financial results, including the Company's pricing, medical benefit ratios and the geographies in which the Company's products are available. Health Care Reform presents the Company with business opportunities, but also with financial and regulatory challenges. Most of the key components of Health Care Reform were phased in during or prior to 2014, including health insurance exchanges ("Public Exchanges"), required MLRs in commercial and Medicare products, the individual coverage mandate, guaranteed issue, rating limits in individual and small group products, significant new industry-wide fees, assessments and taxes, enhanced premium rate review and disclosure processes, reduced Medicare Advantage payment rates to insurers, and linking Medicare Advantage payments to a plan's CMS quality performance ratings or "star ratings." The effects of these changes are reflected in the Company's financial results. Certain components of Health Care Reform will continue to be phased in until 2020.

The Company is dedicating and will continue to be required to dedicate significant resources and incur significant expenses during 2016 to implement and comply with Health Care Reform and changes in Health Care Reform as well as state level health care reform. While most of the significant aspects of Health Care Reform became effective during or prior to 2014, significant parts of Health Care Reform, including aspects of Public Exchanges, nondiscrimination requirements, reinsurance, risk corridor and risk adjustment, continue to evolve through the promulgation of regulations and guidance at the federal level.. It is likely that further changes will be made to Health Care Reform at the federal and/or state level as issues arise and its practical effects become clearer. Growing state and federal budgetary pressures make it more likely that any changes will be adverse to us. As a result, many of the specific aspects and impacts of Health Care Reform will not be known for several years, and given the inherent difficulty of foreseeing how individuals and businesses will respond to the choices afforded them by Health Care Reform, the Company cannot predict the full effect Health Care Reform will have on the Company or the impact of future changes to Health Care Reform. It is reasonably possible that Health Care Reform or changes to Health Care Reform, in the aggregate, could have a significant adverse effect on the Company's business operations and financial results.



Ongoing legislative and regulatory changes to Health Care Reform other pending efforts in the U.S. Congress to amend or restrict funding for various aspects of Health Care Reform (including risk corridors), the 2016 presidential election, pending litigation challenging aspects of the law and federal budget negotiations continue to create uncertainty about the ultimate impact of Health Care Reform. Examples of these legislative and regulatory changes include: the December 2015 suspension of the health insurer fee for 2017 and two year delay of the “Cadillac” tax on high-cost employer-sponsored health coverage; the October 2015 Protecting Affordable Coverage for Employees Act, which leaves groups with 51 to 100 employees within the large group category for each state unless the state exercises its option to include these groups within the small group category; and the October 2015 HHS announcement that Health Care Reform risk corridor receivables for the 2014 program year would only be funded at 12.6%. The pending litigation includes the House of Representatives’ challenge to HHS’s ability to make payments under ACA’s Cost Sharing Subsidiary program without an explicit appropriation.

As described above, the availability of funding for the ACA’s temporary risk corridor program is an example of this uncertainty. In May 2014, CMS published a final rule on Public Exchanges. The final rule provides that payments to health plans under the ACA’s risk corridor program will no longer be limited to the aggregate amount of the risk corridor collections received by HHS over the duration of the risk corridor program. However, it is possible that payments to health plans under the risk corridor program will require additional appropriation legislation to be passed by the U.S. Congress. In each of December 2014 and December 2015, legislation was enacted that prohibits HHS’s use of certain funds to pay HHS’s potential obligation under the ACA’s risk corridor program. In October 2015, HHS announced that 2014 Health Care Reform risk corridor receivables would be funded at 12.6% to the extent HHS fully collects risk corridor payables. As a result, the Company continues to believe that receipt of any risk corridor payment from HHS for the 2015 program year and receipt of such payments in excess of the 12.6% prorated amount for the 2014 program year are uncertain. At December 31, 2015, the Company had no receivable for the remaining 2014 program year prorated amount that had not been collected from HHS and had no receivable for the 2015 program year. In addition, these limited risk corridor payments may create instability in the marketplace for individual commercial products in 2016 and going forward by, among other things, causing health plans to change or stop offering their Public Exchange products. 2016 is the last program year for the ACA’s risk corridor program.

The federal and state governments also continue to enact and seriously consider many other broad-based legislative and regulatory proposals that have had a material impact on or could materially impact various aspects of the health care and related benefits system. The Company cannot predict whether pending or future federal or state legislation or court proceedings, including future U.S. Congressional appropriations, will change various aspects of the health care and related benefits system or Health Care Reform or the impact those changes will have on the Company’s business operations or financial results, but the effects could be materially adverse.

In addition, Health Care Reform ties a portion of Medicare Advantage plans’ reimbursement to the achievement of favorable CMS quality performance measures (“star ratings”). Since 2015, only Medicare Advantage plans with an overall star rating of four or more stars (out of five stars) are eligible for a quality bonus in their basic premium rates. As a result, the Company’s Medicare Advantage plans’ operating results in 2016 and going forward will be significantly affected by their star ratings.

(3) Medicare

The Company’s Medicare Advantage and Standalone Prescription Drug Plan (“PDP”) products are regulated by CMS. The regulations and contractual requirements applicable to the Company and other participants in Medicare programs are complex, expensive to comply with and subject to change. For example, in the second quarter of 2014, CMS issued a final rule implementing the Health Care Reform requirements that Medicare Advantage and PDP plans report and refund to CMS overpayments that those plans receive from CMS. The precise interpretation, impact and legality of this rule are not clear and are subject to pending litigation. In that same rule, CMS also changed in some respects how the Company can pay pharmacies in 2016 that impacts the Company’s Medicare Advantage and PDP products. The Company has invested significant resources to comply with Medicare standards, and the Company’s Medicare compliance efforts will continue to require significant resources. CMS may seek premium and other refunds, prohibit the Company from continuing to market and/or enroll members in or refuse to passively enroll members in one or more of the Company’s Medicare or Medicare-Medicaid demonstration (historically known as “dual eligible”) plans, exclude the Company from participating in one or more Medicare or dual eligible programs and/or institute other sanctions against the Company if the Company fails to comply with CMS regulations or the Company’s Medicare contractual requirements.

- D. The Company did not have any business interruption insurance recoveries for the years ending December 31, 2015 or 2014.
- E. The Company did not have any transferable and non-transferable state tax credits for the years ending December 31, 2015 or 2014.
- F. The Company did not have any subprime mortgage related risk exposures at December 31, 2015 or 2014.
- G. The Company did not have any retained assets at December 31, 2015 or 2014.

H. The Company did not have any joint and several liability arrangements at December 31, 2015 or 2014.

22. Events subsequent

A. Type I - Recognized subsequent events

Subsequent events have been considered through February 25, 2016 for the statutory statement issued on March 1, 2016.

The Company had no known reportable recognized subsequent events.

B. Type II - Nonrecognized subsequent events

Subsequent events have been considered through February 25, 2016 for the statutory statement issued on March 1, 2016.

On January 1, 2016, the Company will be subject to an annual fee under section 9010 of the Federal ACA. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2015, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2016, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2016 to be \$1,470,000. This amount is reflected in special surplus. This assessment is expected to impact RBC by 12%. Reporting the ACA assessment as of December 31, 2015, would not have triggered an RBC action level.

	Current year	Prior year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	Yes	
B. ACA fee assessment payable for upcoming year	\$1,470,000	\$2,000,000
C. ACA fee assessment paid	\$2,014,600	\$1,449,400
D. Premium written subject to ACA 9010 assessment	\$80,577,948	\$105,168,193
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$12,651,490	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$11,181,490	
G. Authorized Control Level after surplus adjustment (Five-Year Historical Line 15)	\$3,230,622	
H. Would reporting the ACA assessment as of December 31, 2015, have triggered an RBC action level (YES/NO)?	No	

23. Reinsurance

Effective April 1, 2014, the Company entered into a quota share reinsurance agreement with Fresenius Medical Care Reinsurance Company (Cayman) LTD ("Fresenius"), an affiliate of Fresenius Medical Care Holdings, Inc., covering Medicare Advantage Plans. Under this agreement, the Company will cede to Fresenius and Fresenius shall reinsure 100% of eligible expenses incurred per program participant per agreement year. The Company paid reinsurance premiums of \$485,071 and \$473,144 in 2015 and 2014, respectively, related to this agreement. The Company realized net reinsurance recoveries of \$465,871 and \$473,144 in 2015 and 2014, respectively, related to this agreement.

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?  
Yes ( ) No (X)  
If yes, give full details.
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?  
Yes (X) No ( )  
If yes, give full details.

Fresenius is located in the Cayman Islands and is an affiliate of Fresenius Medicare Care Holdings, Inc. (not primarily engaged in the insurance business).

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than nonpayment of premium or other similar credit?  
Yes ( )                      No (X)
- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.  
\$ \_\_\_\_\_ N/A \_\_\_\_\_.
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?  
\$ \_\_\_\_\_ N/A \_\_\_\_\_.
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
Yes ( )                      No (X)  
If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the insurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.  
\$ \_\_\_\_\_ 0 \_\_\_\_\_.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?  
Yes ( )                      No (X)  
If yes, what is the amount of reinsurance credit, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$ \_\_\_\_\_ N/A \_\_\_\_\_.

- B. The Company did not have uncollectible reinsurance at December 31, 2015.
- C. The Company did not have any commutation of ceded reinsurance at December 31, 2014.
- D. The Company's certified reinsurer's rating has not been downgraded or its status subject to revocation at December 31, 2014.

24. Retrospectively rated contracts and contracts subject to redetermination

- A. Through annual contracts with CMS, the Company offers HMO plans for Medicare-eligible individuals through the Medicare Advantage program. Members typically receive enhanced benefits over standard Medicare fee-for-service coverage, including reduced cost-sharing for preventative care, vision and other non-Medicare services. Members also typically receive coverage for certain prescription drugs, usually subject to a deductible, co-insurance and/or co-payment. The revenues ultimately received by the Company for each member are based on that member's health status and demographic characteristics, as determined via the CMS risk adjustment process, under which the Company regularly submits risk adjustment data to CMS. As such, at December 31, 2015 the Company records a receivable for future revenues that it expects to receive from CMS in the 3<sup>rd</sup> quarter of 2016, after the final reconciliation of risk adjustment data for contract year 2015 is complete. The Company estimates this receivable by taking into account risk adjustment data for contract year 2015 submitted to CMS prior to December 31, 2015, as well as its estimate of the impact of risk adjustment data for contract year 2015 that will be submitted prior to the appropriate regulatory deadline in early 2016. These amounts are recognized in 2015 as premiums under contracts subject to redetermination. In addition, the Company's Medicare Advantage contracts are subject to retrospective rating provisions under which the Company and CMS share in amounts above and below agreed-upon target medical benefit ratios.

B. The Company had net premiums written of \$57,806,332 and \$61,758,085 related to its agreements with CMS for the years ended December 31, 2015 and 2014, respectively, representing 72% for 2015 and 59% for 2014 of total premium revenue. The Company had net premiums receivable of \$1,887,049 and \$2,418,142 related to its agreements with CMS at December 31, 2015 and 2014, respectively, representing 84% in 2015 and 75% in 2014 of total premiums receivable.

C. Contracts subject to redetermination

The Company did not have any contracts subject to redetermination in 2015 or 2014.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act

The Company is required to make premium rebate payments to customers that are enrolled under certain health insurance policies if specific minimum annual MLR are not met in the prior year. The Company did not have any minimum MLR rebates for the full-year 2015. The Company's results for full-year 2014 included an estimate of \$48 of minimum MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus. The Company paid \$160,773 of minimum MLR rebates in 2015 for the year 2014. The Company paid \$528,890 of minimum MLR rebates in 2014 for the year 2013.

	Individual	Small group employer	Large group employer	Other categories with rebates	Total
Prior reporting year					
(1) Medical loss ratio rebates incurred	-	\$266,427	\$262,106	-	\$528,533
(2) Medical loss ratio rebates paid	-	\$266,427	\$262,463	-	\$528,890
(3) Medical loss ratio rebates unpaid	-	-	\$48	-	\$48
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$48
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	-	-	\$160,773	-	\$160,773
(8) Medical loss ratio rebates paid	-	-	\$160,821	-	\$160,821
(9) Medical loss ratio rebates unpaid	-	-	-	-	-
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	-

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the ACA risk sharing provisions (YES/NO)? Yes

Line items below where the amount is zero are due to no activity as of the reporting date.

(2) Impact of Risk Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue and Expenses for the Current Year:

	Amount
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	-
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$170
3. Premium adjustments payable due to ACA Risk Adjustment	\$472

	Amount
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$(472)
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$170
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$9,298
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	\$1,667
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	-
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance not reported as ceded premium	\$45,261
5. Ceded reinsurance premiums payable due to ACA Reinsurance	-
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	-
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$(6,602)
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$10,966
9. ACA Reinsurance contributions - not reported as ceded premium	\$(174,441)
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	-
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	-
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	-
4. Effect of ACA Risk Corridors on change in reserves for rate credits	-



(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

		Accrued during the prior year on business written before December 31 of the prior year		Received or paid as of the current year on business written before December 31 of the prior year	
		1	2	3	4
		Receivable	(Payable)	Receivable	(Payable)
a.	Permanent ACA Risk Adjustment Program				
	1. Premium adjustments receivable	-	-	-	-
	2. Premium adjustments (payable)	-	-	-	-
	3. Subtotal ACA Permanent Risk Adjustment Program	-	-	-	-
b.	Transitional ACA Reinsurance Program				
	1. Amounts recoverable for claims paid	-	-	-	-
	2. Amounts recoverable for claims unpaid (contra liability)	-	-	-	-
	3. Amounts receivable relating to uninsured plans	-	-	-	-
	4. Liabilities for contributions payable due to ACA reinsurance - not reported as ceded premium	-	-	-	-
	5. Ceded reinsurance premiums payable	-	-	-	-
	6. Liability for amounts held under uninsured plans	-	-	-	-
	7. Subtotal ACA Transitional Reinsurance Program	-	-	-	-
c.	Temporary ACA Risk Corridors Program				
	1. Accrued retrospective premium	-	-	-	-
	2. Reserve for rate credits or policy experience rating refunds	-	-	-	-
	3. Subtotal ACA Risk Corridors Program	-	-	-	-
d.	Total for ACA Risk Sharing Provisions	-	-	-	-

Differences		Adjustments		Ref
Prior year accrued less payments (Col 1 - 3)	Prior year accrued less payments (Col 2 - 4)	To prior year balances	To prior year balances	
5	6	7	8	
Receivable	(Payable)	Receivable	(Payable)	
a.	Permanent ACA Risk Adjustment Program			
	1. Premium adjustments receivable	-	-	N/A
	2. Premium adjustments (payable)	-	-	N/A
	3. Subtotal ACA Permanent Risk Adjustment Program	-	-	N/A
b.	Transitional ACA Reinsurance Program			
	1. Amounts recoverable for claims paid	-	-	N/A
	2. Amounts recoverable for claims unpaid (contra liability)	-	-	N/A
	3. Amounts receivable relating to uninsured plans	-	-	N/A
	4. Liabilities for contributions payable due to ACA reinsurance - not reported as ceded premium	-	-	N/A
	5. Ceded reinsurance premiums payable	-	-	N/A
	6. Liability for amounts held under uninsured plans	-	-	N/A
	7. Subtotal ACA Transitional Reinsurance Program	-	-	N/A
c.	Temporary ACA Risk Corridors Program			
	1. Accrued retrospective premium	-	-	N/A
	2. Reserve for rate credits or policy experience rating refunds	-	-	N/A
	3. Subtotal ACA Risk Corridors Program	-	-	N/A
d.	Total for ACA Risk Sharing Provisions	-	-	N/A

Unsettled balances as of the reporting date		
	Cumulative balance from prior years (col 1 - 3 + 7)	Cumulative balance from prior years (col 2 - 4 + 8)
	9	10
	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program		
1. Premium adjustments receivable	-	-
2. Premium adjustments (payable)	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	-
b. Transitional ACA Reinsurance Program		
1. Amounts recoverable for claims paid	-	-
2. Amounts recoverable for claims unpaid (contra liability)	-	-
3. Amounts receivable relating to uninsured plans	-	-
4. Liabilities for contributions payable due to ACA reinsurance - not reported as ceded premium	-	-
5. Ceded reinsurance premiums payable	-	-
6. Liability for amounts held under uninsured plans	-	-
7. Subtotal ACA Transitional Reinsurance Program	-	-
c. Temporary ACA Risk Corridors Program		
1. Accrued retrospective premium	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-
3. Subtotal ACA Risk Corridors Program	-	-
d. Total for ACA Risk Sharing Provisions	-	-

25. Change in incurred claims and claims adjustment expense

The following table shows the components of the change in claims unpaid, unpaid claims adjustment expense and aggregate health claim reserves for the years ended December 31, 2015 and 2014.

	2015	2014
Balance, January 1	\$7,754,403	\$9,566,372
Health care receivable	(221,447)	(102,868)
Balance, January 1, net of health care receivable	7,532,956	9,463,504
Incurred related to:		
Current year	70,278,819	94,000,973
Prior years	108,149	(1,346,600)
Total incurred	70,386,968	92,654,373
Paid related to:		
Current year	62,376,853	86,646,299
Prior years	7,288,963	7,938,622
Total paid	69,665,816	94,584,921
Balance, December 31, net of health care receivable	8,254,108	7,532,956
Health care receivable	261,914	221,447
Balance, December 31	\$8,516,022	\$7,754,403

In 2015, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years increased by \$108,149 from \$7,754,403 in 2014 to \$7,862,552 in 2015. In 2014, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years decreased by \$1,346,600 from \$9,566,372 in 2013 to \$8,219,772 in 2014. Health care cost trend rates observed in 2015 for claims incurred in 2014 were generally consistent with expectations. The lower than anticipated health care cost trend rates observed in 2014 for claims incurred in 2013 were due to moderating outpatient and physician trends and faster than expected claim payment speed. The Company considers historical trend rates together with knowledge of recent events that may impact current trends when developing estimates of current trend rates. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Historical health care cost trend rates are not necessarily representative of current trends. The Company experienced \$523,323 of favorable prior year claim development on retrospectively rated policies, which is included in the net 2015 increase. However, the business to which it relates is subject to premium adjustments. The Company excluded the impact of the change in health care receivables related to pharmacy rebates from the above roll-forward to conform to NAIC Annual Statement presentation.

Net coordination of benefits are implicit in the claims incurred but not reported calculation and could not be specifically identified.

26. Intercompany pooling arrangements

The Company did not have any intercompany pooling arrangements at December 31, 2015 or 2014.

27. Structured settlements

Not applicable to health entities.

28. Health care receivables

A. Pharmaceutical rebate receivables

The Company receives pharmaceutical rebates through an agreement with AHM. AHM has contractual agreements with pharmaceutical companies for rebates, which cover the Company's membership as well as the membership of other Aetna affiliates. The Company receives those rebates from AHM that relate to the Company's membership. The Company estimates pharmaceutical rebate receivables based upon the historical payment trends, actual utilization and other variables. Actual rebates collected are applied to the collection periods below, using a first in, first out methodology. At December 31, 2015 and 2014, the Company had pharmaceutical rebate receivables of \$261,914 and \$221,448, respectively (refer to the Company's accounting practices related to pharmaceutical rebate receivables in Note 1).

The following table discloses the quarterly revenue and subsequent cash collections relating to the pharmaceutical rebates discussed in Note 10.

Quarter	Estimated pharmacy rebates as reported on financial statements	Pharmacy rebates as invoiced/ confirmed	Actual rebates collected within 90 days of invoicing/ confirmation	Actual rebates collected within 91 to 180 days of invoicing/ confirmation	Actual rebates collected more than 180 days after invoicing/ confirmation
12/31/2015	\$733,493	-	\$471,579 <sup>1</sup>	-	-
9/30/2015	\$730,015	\$748,809	\$748,809	-	-
6/30/2015	\$697,810	\$695,858	\$695,858	-	-
3/31/2015	\$754,866	\$699,833	\$699,833	-	-
12/31/2014	\$654,910	\$701,641	\$701,641	-	-
9/30/2014	\$681,026	\$727,864	\$727,864	-	-
6/30/2014	\$619,482	\$671,827	\$671,827	-	-
3/31/2014	\$626,265	\$623,499	\$623,499	-	-
12/31/2013	\$525,902	\$573,024	\$573,024	-	-
9/30/2013	\$540,484	\$493,832	\$493,832	-	-
6/30/2013	\$458,872	\$436,772	\$436,772	-	-
3/31/2013	\$373,128	\$374,181	\$374,181	-	-

<sup>1</sup> Represents a portion of the estimated rebates for the quarter ending December 31, 2015, which were paid by AHM to the Company prior to December 31, 2015 and invoicing in 2016.

B. Risk sharing receivables

The Company did not have any admitted risk sharing receivables at December 31, 2015 or 2014.

29. Participating policies

The Company did not have any participating policies at December 31, 2015 or 2014.

30. Premium deficiency reserves

December 31, 2015

1. Liability carried for premium deficiency reserves	\$660,961
2. Date of the most recent evaluation of this liability	12/31/2015
3. Was anticipated investment income utilized in the calculation?	Yes

31. Anticipated salvage and subrogation

See discussion of hospital and medical costs and claims adjustment expenses and related reserves in Note 1.



Statement as of December 31, 2015 of the **Aetna Health Inc. (a Maine corporation)**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes ☒No ☐

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒No ☐N/A ☐

1.3

State regulating?  
Maine

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐No ☒

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2013

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity.  
This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2013

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/30/2015

3.4

By what department or departments?  
Maine Bureau of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes ☐No ☐N/A ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐No ☐N/A ☒

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes ☐No ☒

4.12

renewals?

Yes ☐No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums of:

4.21

sales of new business?

Yes ☐No ☒

4.22

renewals?

Yes ☐No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐No ☒

5.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
N/A	0	

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐No ☒

6.2

If yes, give full information:  
N/A

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐No ☒

7.2

If yes,

7.21

State the percentage of foreign control

0.000%

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).

1	2
Nationality	Type of Entity
N/A	

8.1

Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board?

Yes ☐No ☒

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.  
N/A

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐No ☒

8.4

If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
N/A					

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG LLP, One Financial Plaza, 755 Main Street, Hartford, CT 06103

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes ☐No ☒

10.2

If the response to 10.1 is yes, provide information related to this exemption:  
N/A

10.3

Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes ☐No ☒

10.4

If the response to 10.3 is yes, provide information related to this exemption:  
N/A

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes ☒No ☐N/A ☐

10.6

If the response to 10.5 is no or n/a, please explain:  
N/A

Statement as of December 31, 2015 of the **Aetna Health Inc. (a Maine corporation)**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
William R. Jones, FSA, MAAA; 151 Farmington Avenue, RE2R; Hartford, CT 06156
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ☐ ] No [ ☒ ]
- 12.11

Name of real estate holding company

N/A
- 12.12

Number of parcels involved

0
- 12.13

Total book/adjusted carrying value

\$0
- 12.2

If yes, provide explanation  
N/A
13.

FOR UNITED STATES BRANCES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
N/A
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ☐ ] No [ ☐ ]
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ☐ ] No [ ☐ ]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ☐ ] No [ ☐ ] N/A [ ☒ ]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [ ☒ ] No [ ☐ ]
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is no, please explain:  
N/A
- 14.2

Has the code of ethics for senior managers been amended?

Yes [ ☒ ] No [ ☐ ]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).  
On September 25, 2015, the Board approved changes to the Code that included: (1) Increased focus and clarity regarding expectations of Aetna's vendors, including vendors to our Medicare business; (2) Increased clarity on the resources available to Aetna's vendors, including vendors to our Medicare business, to report possible compliance violations or business conduct or integrity concerns; (3) Increased clarity on the responsibility to report to, or respond to an inquiry from, a governmental authority about suspected violations of law; (4) Updated guidance on protecting Aetna's and our customers' information; (5) Updated information on Aetna's Medicare Compliance Program; and (6) Numerous non-substantive clarifying and conforming changes and updates to the factual information, such as the level of giving by the Aetna Foundation since 1980.
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ☐ ] No [ ☒ ]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).  
N/A
- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [ ☐ ] No [ ☒ ]
- 15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
0	N/A		0

**BOARD OF DIRECTORS**

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?

Yes [ ☒ ] No [ ☐ ]
17.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors an all subordinator committees thereof?

Yes [ ☒ ] No [ ☐ ]
18.

Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes [ ☒ ] No [ ☐ ]

**FINANCIAL**

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [ ☐ ] No [ ☒ ]
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11

To directors or other officers

\$0
- 20.12

To stockholders not officers

\$0
- 20.13

Trustees, supreme or grand (Fraternal only)

\$0
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21

To directors or other officers

\$0
- 20.22

To stockholders not officers

\$0
- 20.23

Trustees, supreme or grand (Fraternal only)

\$0
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?

Yes [ ☐ ] No [ ☒ ]
- 21.2

If yes, state the amount thereof at December 31 of the current year:
- 21.21

Rented from others

\$0
- 21.22

Borrowed from others

\$0
- 21.23

Leased from others

\$0
- 21.24

Other

\$0
- 22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [ ☒ ] No [ ☐ ]
- 22.2

If answer is yes:
- 22.21

Amount paid as losses or risk adjustment

\$0
- 22.22

Amount paid as expenses

\$15,305
- 22.23

Other amounts paid

\$0
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [ ☐ ] No [ ☒ ]

Statement as of December 31, 2015 of the **Aetna Health Inc. (a Maine corporation)**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$0

**INVESTMENT**

24.01

Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?

Yes [ X ]    No [   ]

24.02

If no, give full and complete information, relating thereto:  
N/A

24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off balance sheet (an alternative is to reference Note 17 where this information is also provided).  
See Notes to Financial Statement - Note 17, Sale, transfer and servicing of financial assets and extinguishments of liabilities.

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*?

Yes [ X ]    No [   ]    N/A [   ]

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$0

24.06

If answer to 24.04 is no, report amount of collateral for other programs

\$0

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [   ]    No [   ]    N/A [   ]

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [   ]    No [   ]    N/A [   ]

24.09.

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [ X ]    No [   ]    N/A [   ]

24.10

For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.102

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)

Yes [   ]    No [   ]

25.2

If yes, state the amount thereof at December of the current year:

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$402,755

25.29

On deposit with other regulatory bodies

\$0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
N/A		\$0

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [   ]    No [ X ]

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes [   ]    No [   ]    N/A [ X ]

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [   ]    No [ X ]

27.2

If yes, state the amount thereof at December of the current year:

\$0

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [ X ]    No [   ]

28.01

For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
State Street Bank and Trust Company	State Street Financial Center, One Lincoln Street; Boston, MA 02111-2900

28.02

For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
All agreements comply,		

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [   ]    No [ X ]

28.04

If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
			N/A

28.05

Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

Statement as of December 31, 2015 of the **Aetna Health Inc. (a Maine corporation)**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

1 Central Registration Depository	2 Name(s)	3 Address
	N/A	

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ☐ ] No [ ☒ ]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
	N/A	0
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1  Name of Mutual Fund (from above table)	2  Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holdings	4  Date of Valuation
N/A		0	

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1  Statement (Admitted) Value	2  Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	21,169,876	21,899,094	729,218
30.2	Preferred Stocks	0	0	0
30.3	Totals	21,169,876	21,899,094	729,218

30.4 Describe the sources or methods utilized in determining fair values:  
Fair value of long term bonds and preferred stocks are determined based on quoted market prices when available, fair values using valuation methodologies based on available and observable market information or by using matrix pricing. If quoted market prices are not available, we determine fair value using broker quoted or an internal analysis of each investment's financial performance and cash flow projections. Short Term investments are carried at amortized cost which approximated fair value. The carrying value of cash equivalents approximated fair value.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ☒ ] No [ ☐ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ☒ ] No [ ☐ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance pricing source for purposes of disclosure of fair value for Schedule D:  
N/A

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [ ☒ ] No [ ☐ ]

32.2 If no, list exceptions:  
N/A

**OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 619

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Public Company Accounting Oversight Board	\$ 227

34.1 Amount of payments for legal expenses, if any? \$ 38,047

34.2 List the name of the firm and the amount paid if any such payment represented25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
N/A	\$ 0

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
N/A	\$ 0

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ]

No [ X ]

1.2

If yes, indicate premium earned on U.S. business only.

\$

0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

0

1.31

Reason for excluding:

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2 above.

\$

0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

\$

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

\$

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

\$

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

\$

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$

80,086,275

\$

104,695,049

2.2

Premium Denominator

\$

80,086,275

\$

104,695,049

2.3

Premium Ratio (2.1/2.2)

\$

100.000

\$

100.000

2.4

Reserve Numerator

\$

9,823,486

\$

7,634,578

2.5

Reserve Denominator

\$

9,823,486

\$

7,634,578

2.6

Reserve Ratio (2.4/2.5)

\$

100.000

\$

100.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [ ]

No [ X ]

3.2

If yes, give particulars:

N/A

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [ X ]

No [ ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ ]

No [ X ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ ]

No [ X ]

5.2

If no, explain:

The Company does not have stop loss reinsurance.

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

0

5.32

Medical Only

\$

0

5.33

Medicare Supplement

\$

0

5.34

Dental and Vision

\$

0

5.35

Other Limited Benefit Plan

\$

0

5.36

Other

\$

0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Provider contracts contain hold harmless and continuity of coverage provisions. In addition, the HMO maintains an insolvency protection agreement with an affiliate of the HMO.

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [ X ]

No [ ]

28

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

7.2

If no, give details

N/A

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

10,093

8.2

Number of providers at end of reporting year

10,598

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [ ] No [X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees with rate guarantees between 15-36 months

\$0

9.22

Business with rate guarantees over 36 months

\$0

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [X] No [ ]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$0

10.22

Amount actually paid for year bonuses

\$0

10.23

Maximum amount payable withholds

\$0

10.24

Amount actually paid for year withholds

\$0

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [ ] No [X]

11.13

An Individual Practice Association (IPA), or,

Yes [X] No [ ]

11.14

A Mixed Model (combination of above)?

Yes [ ] No [X]

11.2

Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [X] No [ ]

11.3

If yes, show the name of the state requiring such minimum capital and surplus.

Maine

11.4

If yes, show the amount required.

\$6,461,244

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [ ] No [X]

11.6

If the amount is calculated, show the calculation

See Notes to Financial Statement - Note 21. Other Items. C., Other Disclosures.

12.

List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Androscroggin, Aroostook, Cumberland, Franklin,
Hancock, Kennebec, Knox, Lincoln, Oxford,
Penobscot, Piscataquis, Sagadahoc, Somerset,
Waldo, Washington, York

13.1

Do you act as a custodian for health savings accounts?

Yes [ ] No [X]

13.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$0

13.3

Do you act as an administrator for health savings accounts?

Yes [ ] No [X]

13.4

If yes, please provide the balance of the funds administered as of the reporting date.

\$0

14.1

Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes [ ] No [ ] N/A [X]

14.2

If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	5 Letters of Credit	6 Trust Agreements	7 Other
	0		\$0	\$0	\$0	\$0

15.

Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

15.1

Direct Premium Written

\$0

15.2

Total Incurred Claims

\$0

15.3

Number of Covered Lives

0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

FIVE-YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28).....	26,219,633	27,908,162	34,153,288	27,596,455	19,390,490
2. Total liabilities (Page 3, Line 24).....	13,568,143	12,238,314	20,244,901	12,778,429	8,018,560
3. Statutory minimum capital and surplus requirement.....	6,461,244	8,112,440	7,599,128	6,619,174	5,396,938
4. Total capital and surplus (Page 3, Line 33).....	12,651,490	15,669,848	13,908,387	14,818,026	11,371,930
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 8).....	80,083,644	104,717,067	98,278,951	93,218,609	72,745,680
6. Total medical and hospital expenses (Line 18).....	69,119,757	91,062,950	84,450,948	72,938,453	57,235,391
7. Claims adjustment expenses (Line 20).....	1,267,211	1,591,423	2,421,320	1,934,059	1,561,096
8. Total administrative expenses (Line 21).....	10,211,496	12,084,100	11,010,883	8,921,462	7,197,621
9. Net underwriting gain (loss) (Line 24).....	(1,175,781)	2,098,187	(1,640,483)	9,500,331	6,628,684
10. Net investment gain (loss) (Line 27).....	550,092	718,033	(150,793)	612,022	749,439
11. Total other income (Lines 28 plus 29).....	0	0	0	0	0
12. Net income or (loss) (Line 32).....	(1,188,052)	2,559,654	(1,365,571)	7,423,060	5,633,956
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11).....	1,689,624	(2,650,769)	2,794,884	7,536,528	4,967,206
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	12,651,490	15,669,848	13,908,387	14,818,026	11,371,930
15. Authorized control level risk-based capital.....	3,230,622	4,056,220	3,799,564	3,309,587	2,698,469
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7).....	11,729	12,582	19,302	17,072	12,265
17. Total member months (Column 6, Line 7).....	137,371	205,808	210,993	185,746	143,015
<b>Operating Percentage (Page 4)</b> <b>(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0</b>					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	86.3	87.0	85.9	78.2	78.7
20. Cost containment expenses.....	1.2	1.1	1.7	1.3	1.4
21. Other claims adjustment expenses.....	0.4	0.4	0.8	0.7	0.7
22. Total underwriting deductions (Line 23).....	101.5	98.0	101.7	89.8	90.9
23. Total underwriting gain (loss) (Line 24).....	(1.5)	2.0	(1.7)	10.2	9.1
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
24. Total claims incurred for prior years (Line 13 Col. 5).....	7,499,933	7,978,034	7,994,819	5,526,364	5,769,933
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	7,386,048	9,293,699	7,588,075	6,539,214	7,555,655
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....	0	0	0	0	0
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....	0	0	0	0	0
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....	0	0	0	0	0
30. Affiliated mortgage loans on real estate.....	0	0	0	0	0
31. All other affiliated.....	0	0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

If no, please explain:

Yes [ ] No [ ]

Statement as of December 31, 2015 of the Aetna Health Inc. (a Maine corporation)

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

			Direct Business Only								
			2	3	4	5	6	7	8	9	
State, Etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama.....AL	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
2.	Alaska.....AK	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
3.	Arizona.....AZ	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.	Arkansas.....AR	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.	California.....CA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.	Colorado.....CO	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.	Connecticut.....CT	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.	Delaware.....DE	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.	District of Columbia.....DC	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
10.	Florida.....FL	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
11.	Georgia.....GA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
12.	Hawaii.....HI	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
13.	Idaho.....ID	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
14.	Illinois.....IL	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
15.	Indiana.....IN	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
16.	Iowa.....IA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
17.	Kansas.....KS	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
18.	Kentucky.....KY	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
19.	Louisiana.....LA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
20.	Maine.....ME	...L.....	..22,286,545	..58,291,403	.....0	.....0	.....0	.....0	.....0	..80,577,948	.....0
21.	Maryland.....MD	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
22.	Massachusetts.....MA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
23.	Michigan.....MI	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
24.	Minnesota.....MN	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
25.	Mississippi.....MS	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
26.	Missouri.....MO	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
27.	Montana.....MT	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
28.	Nebraska.....NE	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
29.	Nevada.....NV	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
30.	New Hampshire.....NH	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
31.	New Jersey.....NJ	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
32.	New Mexico.....NM	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
33.	New York.....NY	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
34.	North Carolina.....NC	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
35.	North Dakota.....ND	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
36.	Ohio.....OH	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
37.	Oklahoma.....OK	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
38.	Oregon.....OR	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
39.	Pennsylvania.....PA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
40.	Rhode Island.....RI	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
41.	South Carolina.....SC	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
42.	South Dakota.....SD	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
43.	Tennessee.....TN	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
44.	Texas.....TX	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
45.	Utah.....UT	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
46.	Vermont.....VT	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
47.	Virginia.....VA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
48.	Washington.....WA	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
49.	West Virginia.....WV	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
50.	Wisconsin.....WI	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
51.	Wyoming.....WY	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
52.	American Samoa.....AS	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
53.	Guam.....GU	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
54.	Puerto Rico.....PR	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
55.	U.S. Virgin Islands.....VI	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
56.	Northern Mariana Islands.....MP	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
57.	Canada.....CAN	...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58.	Aggregate Other alien.....OT	...XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59.	Subtotal.....	...XXX.....	..22,286,545	..58,291,403	.....0	.....0	.....0	.....0	.....0	..80,577,948	.....0
60.	Reporting entity contributions for Employee Benefit Plans.....	...XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
61.	Total (Direct Business).....	(a).....1	..22,286,545	..58,291,403	.....0	.....0	.....0	.....0	.....0	..80,577,948	.....0

DETAILS OF WRITE-INS									
58001. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58002. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58003. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58998. Summary of remaining write-ins for line 58.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58999. Total (Lines 58001 thru 58003 + 58998).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

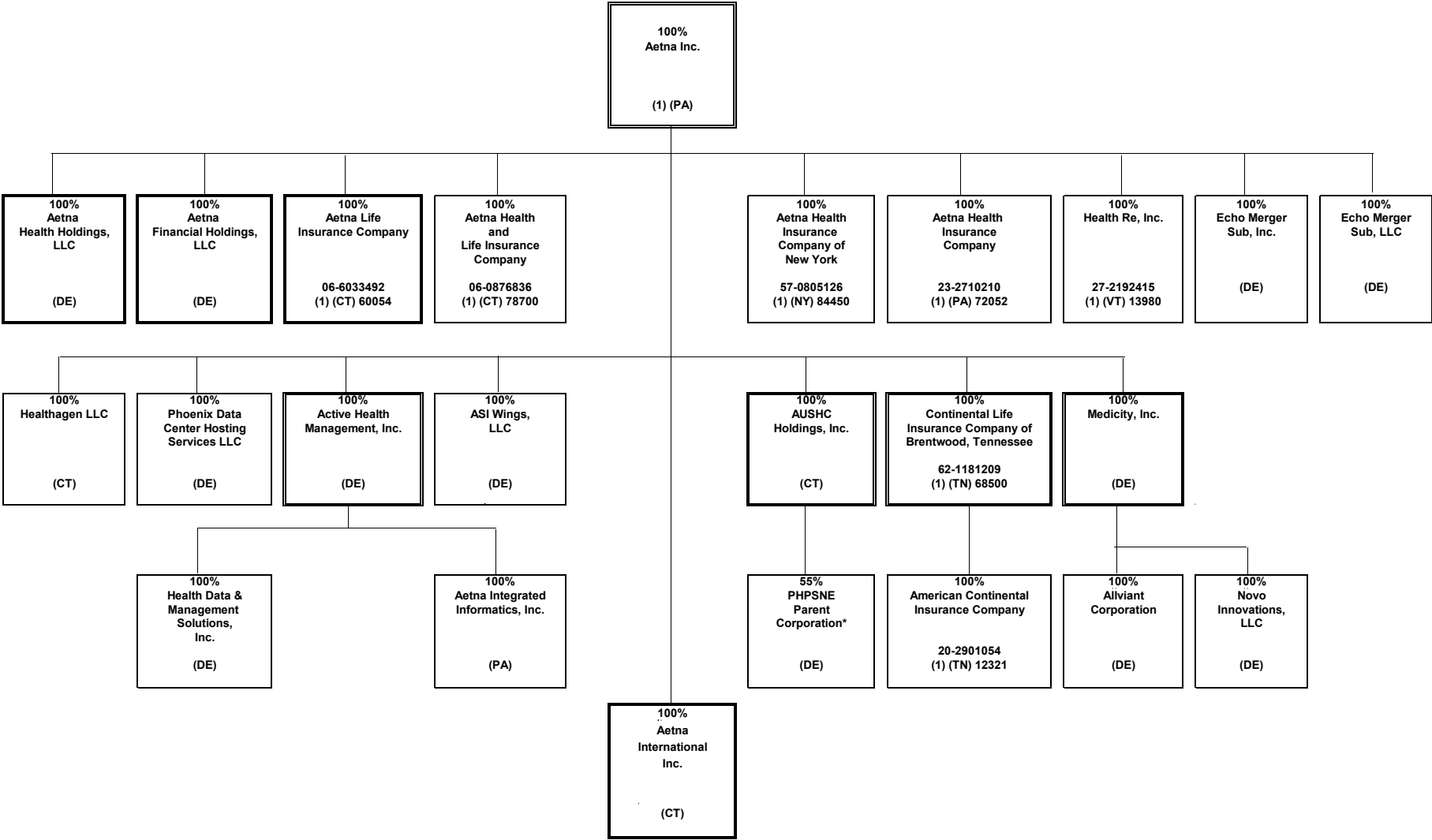
Explanation of basis of allocation by states, premiums by state, etc.  
All premiums written within the State of Maine.

(a) Insert the number of L responses except for Canada and Other Alien.



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

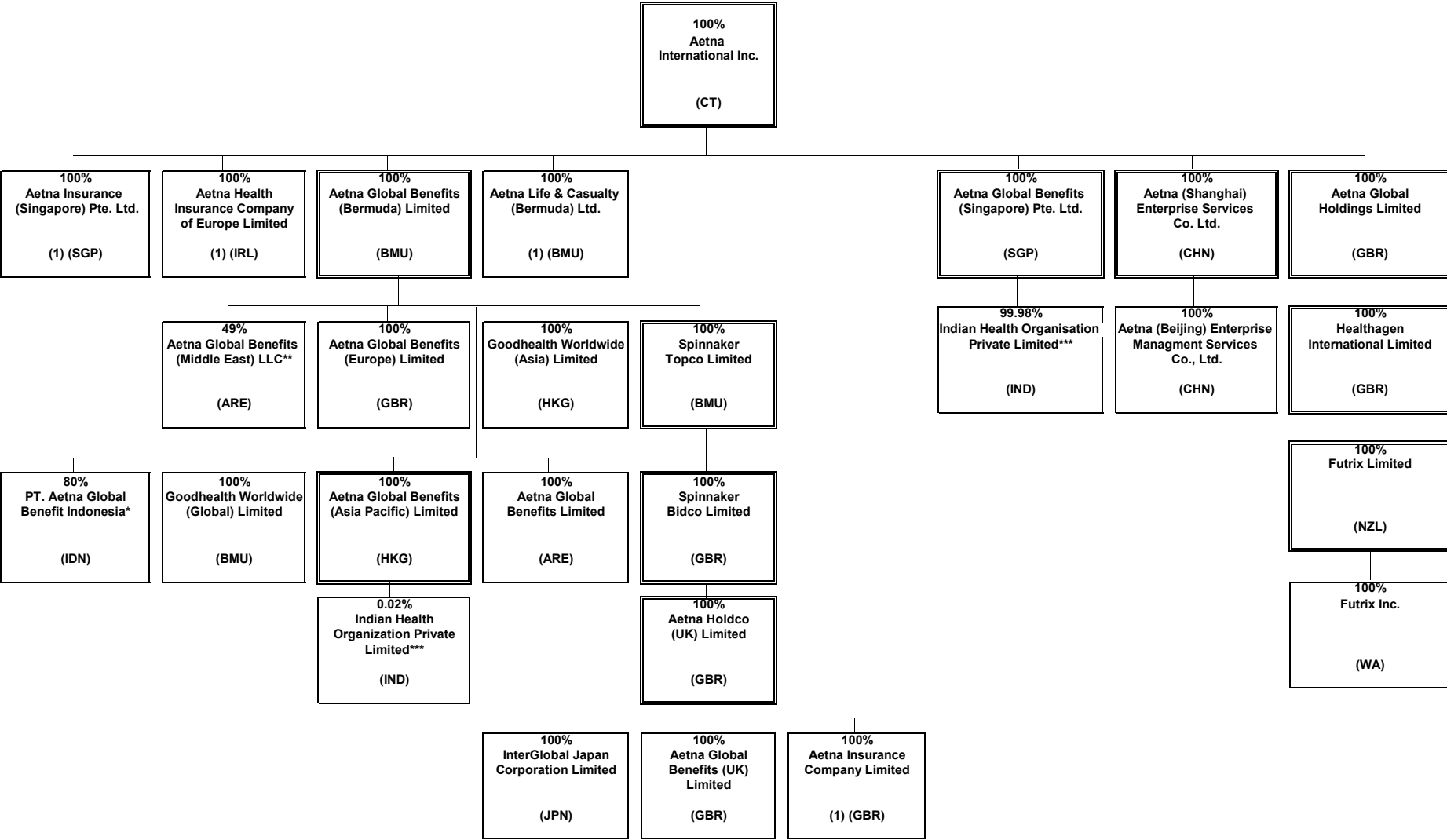


(1) Insurers/HMO's  
Percentages are rounded to the nearest whole percent and based on ownership of voting rights.  
Double borders indicate entity has subsidiaries shown on the same page.  
Bold borders indicate entity has subsidiaries shown on a separate page.

\*55% is owned by AUSHC Holdings, Inc. and 45% is owned by third parties.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP**

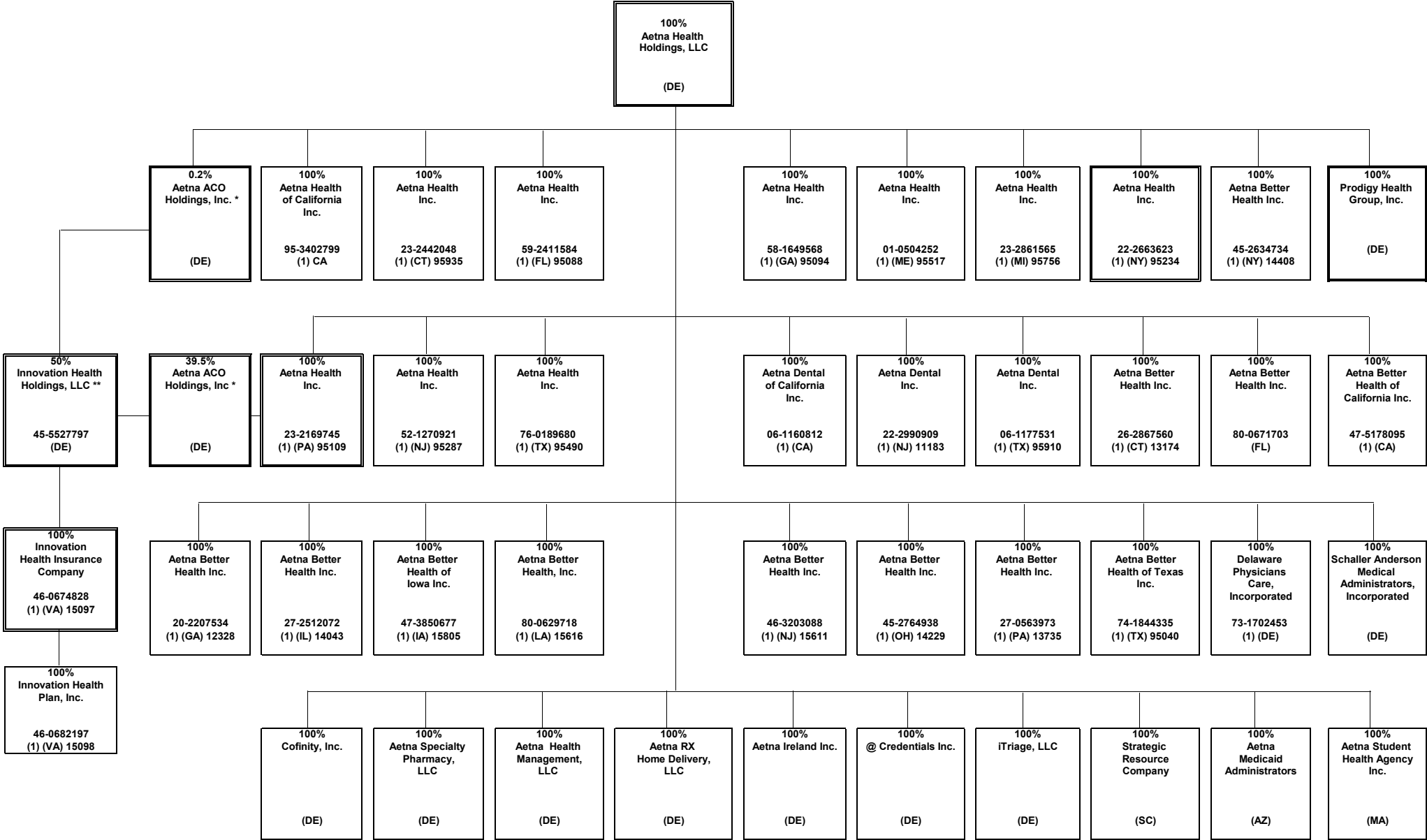
**PART 1 - ORGANIZATIONAL CHART**



\*Aetna Global Benefits (Bermuda) Limited owns 80% and 20% is owned by Suhatsyah Rivai, Aetna's Nominee.  
\*\* Aetna Global Benefits (Bermuda) Limited owns 49% and 51% is owned by Euro Gulf LLC, Aetna's Nominee.  
\*\*\* Aetna Global Benefits (Asia Pacific) Limited owns 0.019857% of Indian Health Organization Private Limited and Aetna Global Benefits (Singapore) Pte. Ltd. owns 99.980143%.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

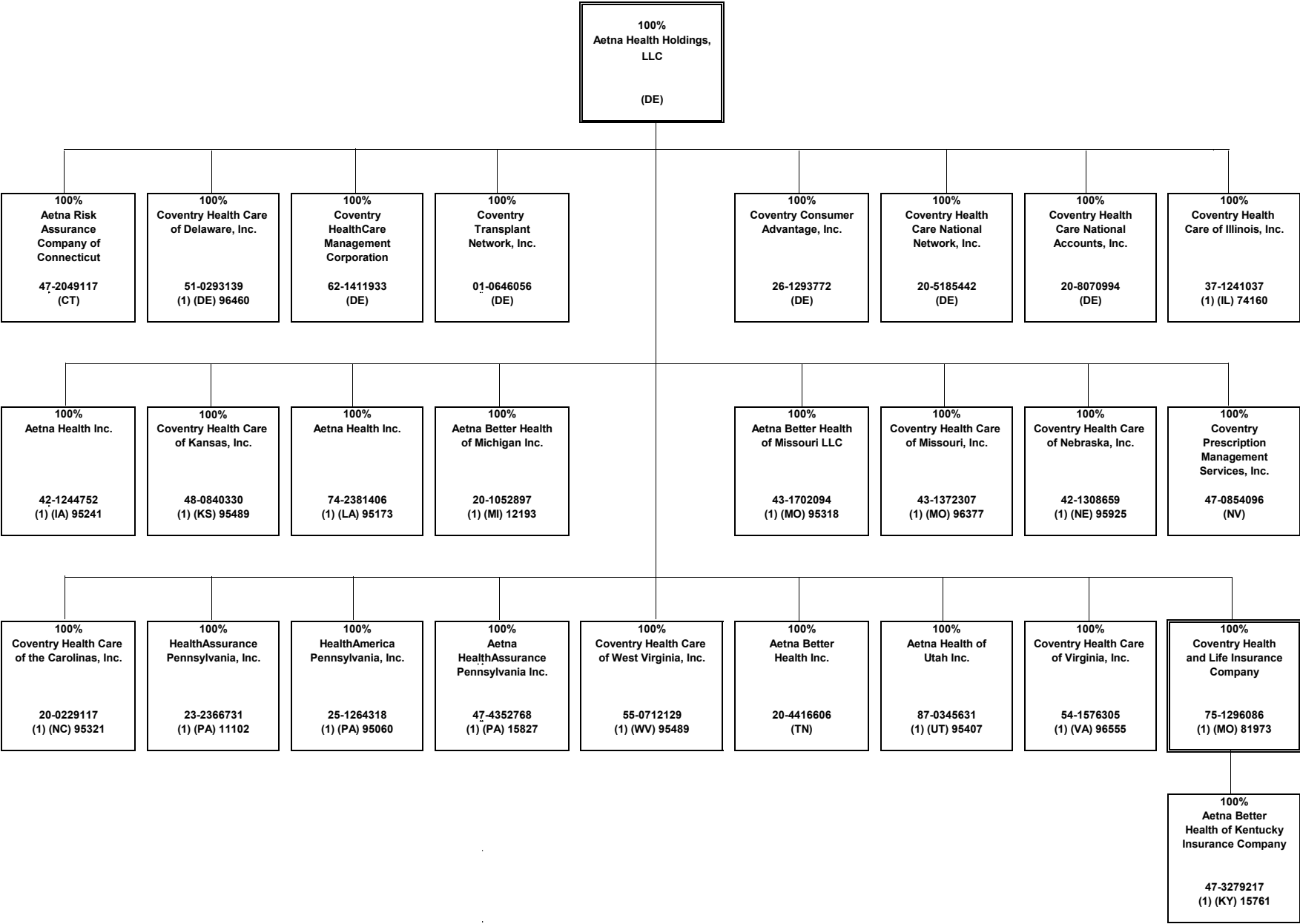
PART 1 - ORGANIZATIONAL CHART



\* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.  
\*\* Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.

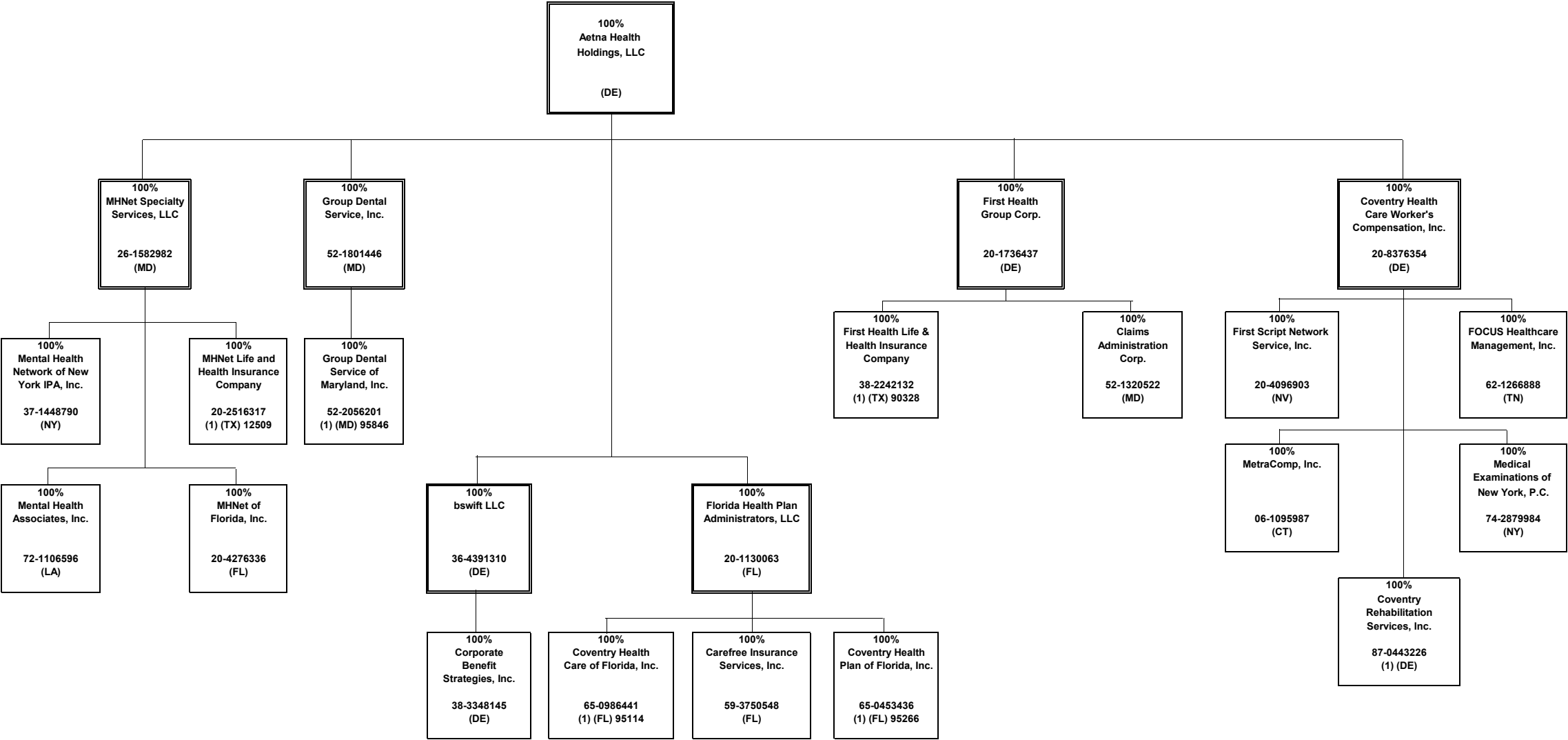
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



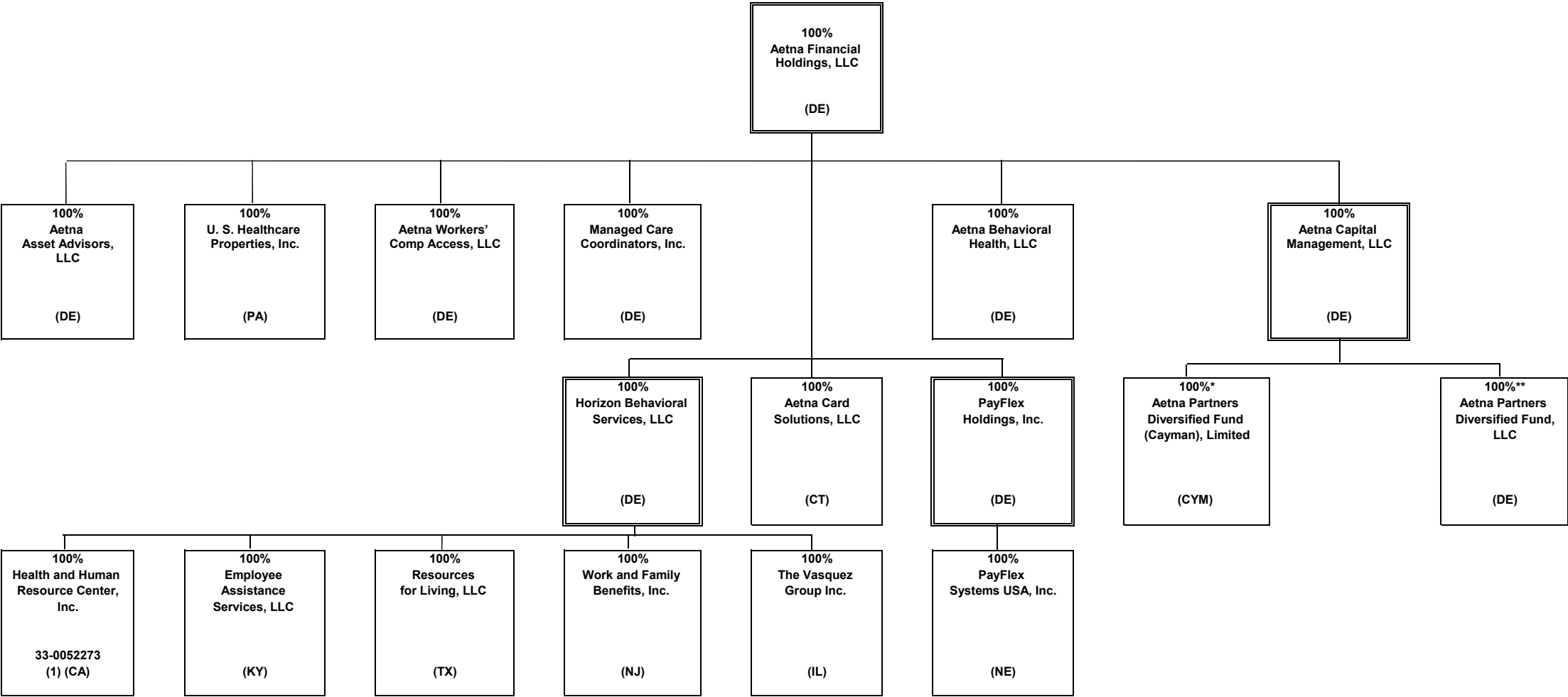
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP**

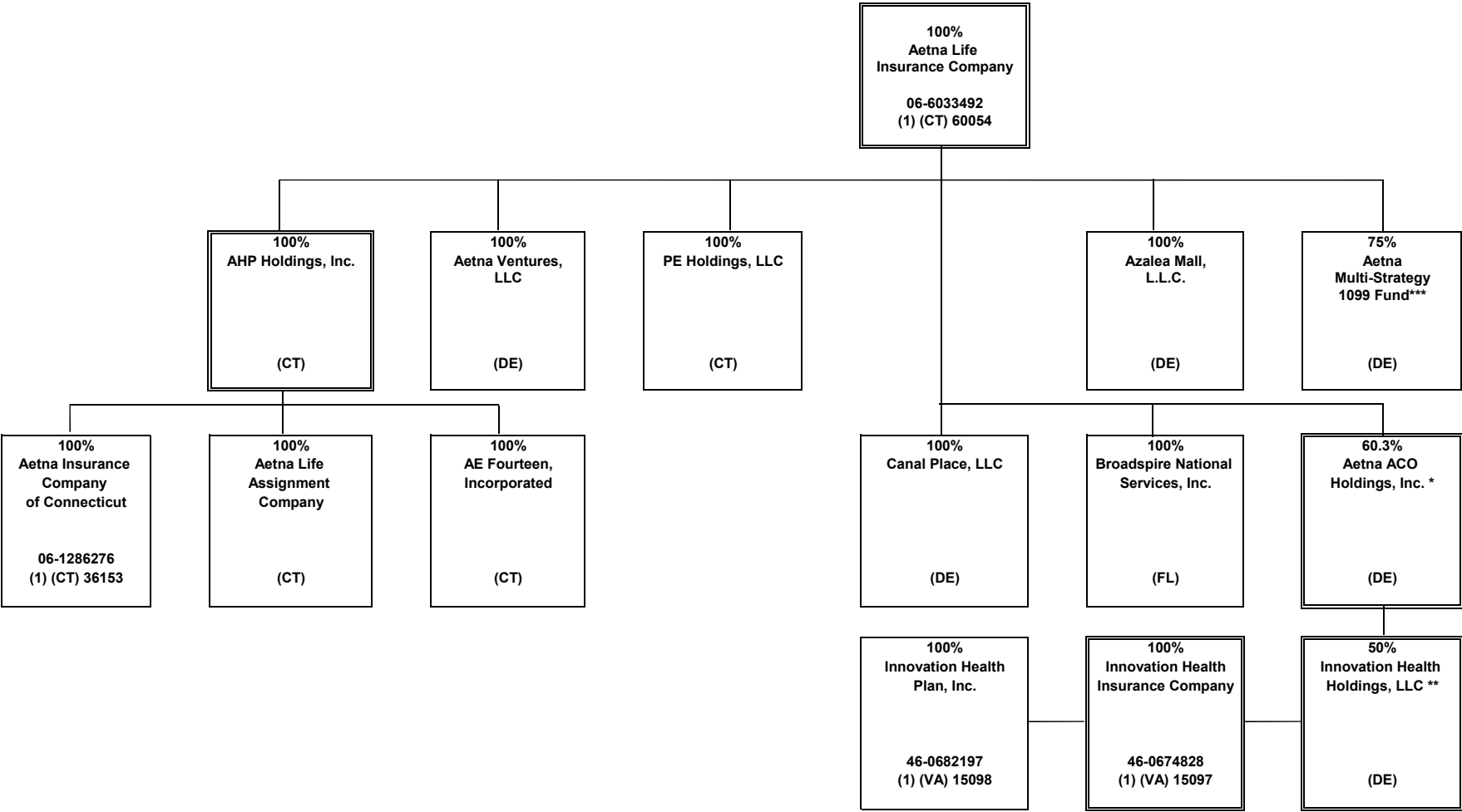
**PART 1 - ORGANIZATIONAL CHART**



\* Aetna Life Insurance Company owns the Class C participating shares of Aetna Partners Diversified Fund (Cayman), Limited.  
\*\* Aetna Life Insurance Company and Aetna Health and Life Insurance Company own substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP**

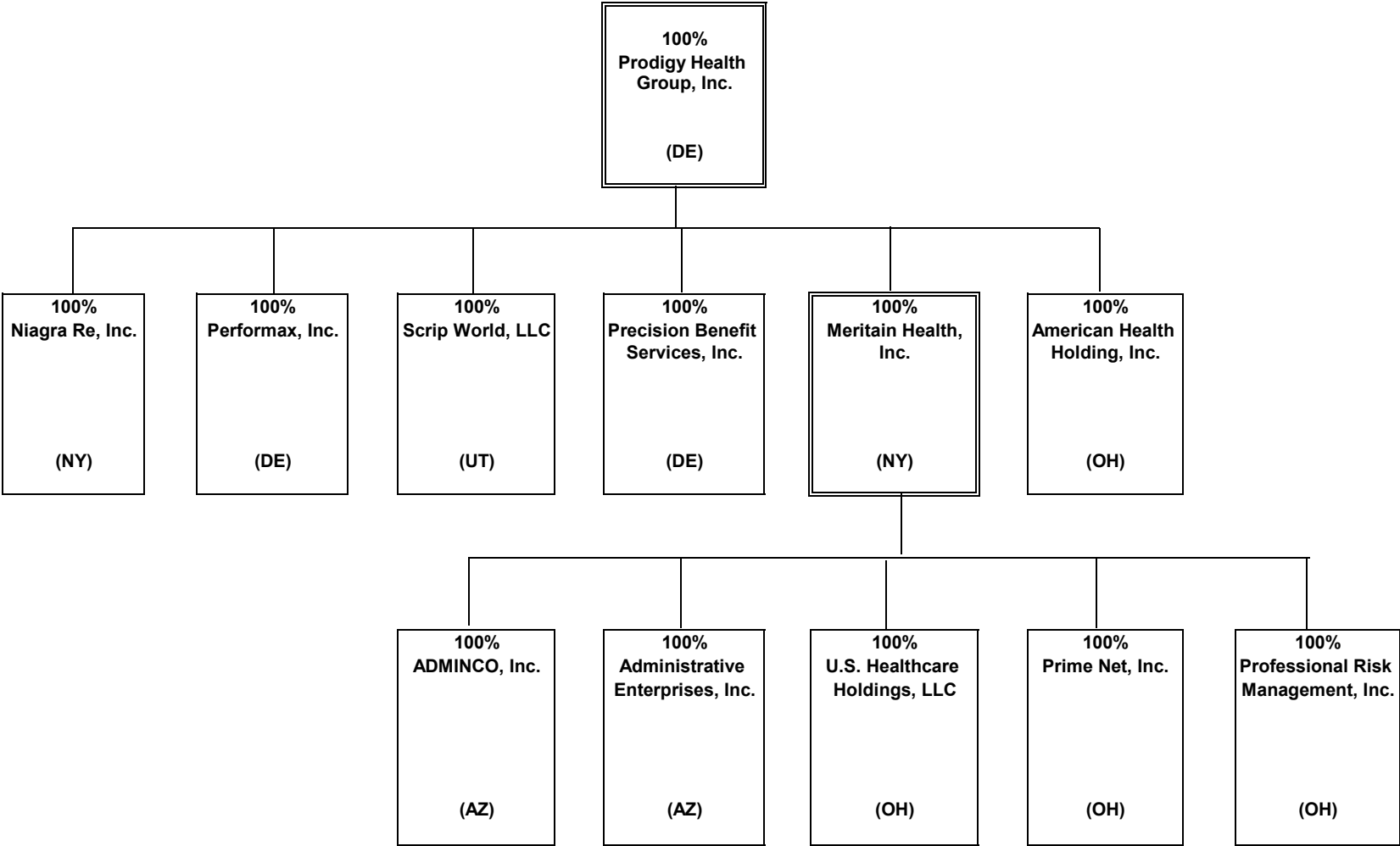
**PART 1 - ORGANIZATIONAL CHART**



\* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.  
\*\* Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.  
\*\*\*75% is invested and owned by Aetna Life Insurance Company and 25% is invested and owned by external accredited investors.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART





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